

THE TAXPAYER

Promoting the responsible and efficient use of tax dollars

Summer '93

Canada joins World's most indebted nations

by Craig Dockstader

The fact that Canadian governments are racking up debt at an astonishing rate is becoming common knowledge to most Canadians, but what has been unclear is how Canada stacks up in relation to the rest of the world. If we took all the countries of the world and examined their total government debt levels in relation to the size of their economy, where would Canada place?

In an attempt to answer this question, the Canadian Taxpayers Federation recently conducted a study comparing the total government debt levels of 174 world economies, 12 of which were Canadian provinces and territories. Using methodology adapted from the World Bank, the study ranks these geographical re-

gions in terms of total government debt as Severely Indebted, Moderately Indebted, or Less Indebted.

The results are shocking. Canada has joined the third world in terms of total government debt. All 10 provinces and the country as a whole meet the conditions necessary to be "Severely Indebted" and all are facing a worsening trend in total government indebtedness. A total of 46 countries and 10 provinces fall into the "Severely Indebted Category" (SIC), qualifying their inclusion on the appropriately entitled "SIC-List". This means that Canada's total government debt levels are now more severe than what citizens face in nations like Argentina, Burundi, Poland, Mexico and Brazil. As incredible as this may seem, it is the unfortunate reality.

But the bad news doesn't stop there. While countries like Argentina and Mexico are facing an improving trend in total government indebtedness, the trend is worsening for every Canadian province and for Canada as a whole. This means that over time Argentina and Brazil will move off the Severely Indebted Category to the Moderately Indebted Category. However, if the present trend continues, Canada and her provincial governments may be creating a whole new category of their own.

As Robin Richardson, National Research Director and Chief Economist with the CTF, points out, this is not a study of wealth, income levels or prosperity, but rather a study of total government indebtedness. He

mentions that, "Because income levels of the countries and provinces do vary, the ability of citizens to repay government debt while maintaining necessary government infrastructures will also vary." But while this means that the social impact of severe gov-

ernment debt could be greater on lower income countries than on high income countries such as Canada, it provides little comfort to taxpayers who must pick up the tab.

"The results of this study are particularly troubling because Canadian governments are doing little to stem the flow of red ink," says Richardson. "Canadians should be very concerned about the levels of debt governments are racking up in their name. Borrowed dollars are expensive dollars and lead to rising tax burdens."

Once again, taxpayers are faced with the inevitable reality that legislated limits must be placed on government borrowing and taxation. Politicians of every political stripe have shown themselves to be unwilling or unable to impose fiscal discipline upon themselves and balance their budgets. Balanced budget legislation should be introduced at every level of government prohibiting governments from borrowing unless they first receive permission from voters. Taxpayer protection legislation is also necessary to protect taxpayers from ever-increasing tax burdens.

Naturally, measures of this kind are not foolproof, nor are they a miracle cure for all Canada's problems. They are, however, receiving increasing support by taxpayers across partisan and ideological lines. If thoughtfully and carefully implemented, they will make it far more difficult and costly for politicians to be fiscally irresponsible.



Robin Richardson, author of the report, is the National Research Director and Chief Economist for the Canadian Taxpayers Federation.



Canadian Taxpayers Federation

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Getting nothing for something

by Kevin Avram



There's nothing wrong with taxes. As a matter of principle, many would probably argue that taxes are good. That's because they pay for activities that our governments must perform if we're going to live in a decent society. Traffic lights, stop signs, police services, national defence, the Coast Guard, and literally hundreds of other essential services are all paid for by taxes.

These services and service agencies are the framework of what makes Canada such a wonderful place to live.

Without them, life would be pretty bleak, if not downright miserable. Very few of us would want to live without roads, police or essential regulatory agencies, and this being the case, the most practical way to cover the freight is by charging and collecting taxes. The problem comes when we get to the spending side of the equation, and when we get to the debate over what citizens should pay for.

My old granddad had a down-home, easy to understand manner about him and was always telling us grandkids little stories. One thing he tried to teach us that I've never forgotten, is "every time somebody gets something for nothing, always remember that somebody else, somewhere, has to be getting nothing for something".

He's been gone nearly twenty years now, but despite that, his words are as pertinent today as they were back then. That's because getting something for nothing has become commonplace for major segments of our

population.

The advocates of more handouts to the business community want to get something for nothing. Those who want a multi-billion dollar day-care program want to get something for nothing. The big advocates of multiculturalism and bilingualism are in the same boat, and so are all the overpaid bureaucrats who do jobs which could be done cheaper through contracting out. Retired MPs who collect fat pensions are in the trough. That's because when you get right down to it, they don't earn their keep either.

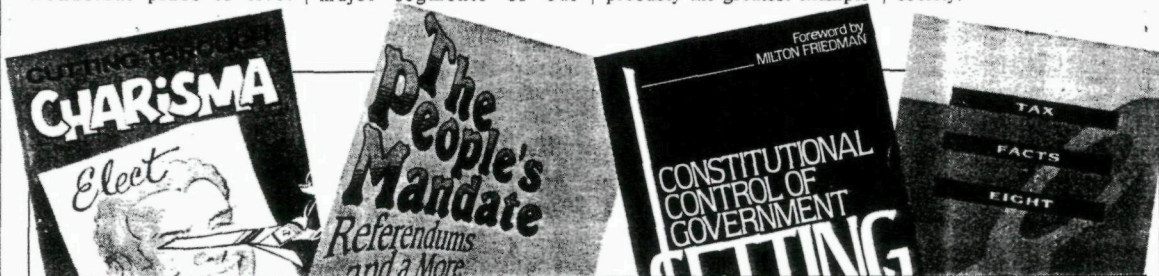
The net result of all this is that there's a huge segment of the population who are getting nothing, or very little, for all the taxes they pay. They continue to pay their taxes, but because they don't belong to an industry, business group, government funded arts group, or some other organization that constantly wears a feed bag, they're the ones who are going through life getting less than they pay for.

The new political elite are probably the greatest example

of those who get something for nothing. These are the people who, through their political connections and backroom affiliations, have access to the levers of power. Those who control the levers, rather than using their position of public trust in an honest and constructive manner, have instead sought to channel benefits to their friends and political allies.

There's no question that the public is desirous that an end be brought to such blatant waste. Phone-in shows are burning up the lines with people's anger, letters to the editor sections of local newspapers are brimming with comments about such things, and the chatter around coffee-row is pretty much a constant issue.

Although many of these something-for-nothing types may be smug about their ill-gotten gains, or perhaps secretly justifying their actions, the truth is that these free-loaders are our enemies. They are the enemies of freedom, and a menace to society.



People's Mandate by Patrick Boyer

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Tax Freedom Day



Each year, the Vancouver based Fraser Institute calculates the Tax Freedom Day for each of the provinces of Canada and for Canada as a whole. This is the day that provincial taxpayers for themselves. Up to this time their income was going solely to pay the various three levels of government. The dates given above also represent the effect of government deficits, since deficits are nothing more than deferred taxation. Unfortunately, our politicians often find it easier to delay the payment of present expenditures to some future date, instead of imposing the necessary tax increases that would require an immediate justification of their excessive spending.

Day for each of the taxpayers finally start working taxes imposed on them by the government deficits, since deficits find it easier to delay the payment of

The real enemy of social programs

by Craig Docksteader

Recently a reporter asked me if the Canadian Taxpayers Federation and other pro-taxpayer groups would be considered a friend of people on welfare and unemployment insurance. Being a little uncertain as to what he meant by the question, I probed for further clarification. "Well," the reporter said, "as an organization you are concerned about rising tax levels and would like to see limits put on the growth of government spending. How would people on welfare, who rely on government spending, view your organization?"

The question was a good one, and summarizes a tension many taxpayers feel. On the one hand taxpayers are concerned about the seemingly limitless growth of government spending and taxation, while on the other hand they would not desire to see Canada's social safety nets eliminated.

Advocates of increased

government spending seem to aggravate this tension by insisting that if spending is not increased, these services will in fact disappear. In more than one province across the country, various politicians have been fond of telling the public that if the government were to cut spending to balance the budget, they would have to shut down hospitals and other aspects of social services. No mention of reducing bloated bureaucracies, eliminating lower priority expenditures, cutting handouts to business, or privatizing crown corporations; just the clear implication that spending restraint will threaten cherished social programs. This type of rhetoric sounds impressive, but falls very short of reality.

Ironically, the real situation is that the greatest hindrance to our social programs is not fiscal restraint, but rather a lack of fiscal restraint. For a number of years now, government spending has been

increasing faster than taxpayers' ability or willingness to pay. This has resulted in persistent annual deficits and a growing mountain of debt. Because this

The greatest hindrance to our social programs is not fiscal restraint, but rather a lack of fiscal restraint.

problem is being allowed to continue virtually unchecked, more and more tax dollars must be increasingly used simply to pay interest on the government's debt, leaving less revenue for valuable programs.

Taxpayers now pay dearly

for our politicians' failure to keep spending in line with revenues. At the federal level, taxpayers pay the equivalent of over \$6,000 for a family of four just to pay the interest on the operating debt. Bear in mind that this bill does not cover the cost of any services being delivered today, and does not reduce the debt burden. All it does is pay the interest, while rising government spending drives us deeper into debt, pushing the interest bill higher yet.

The truth is that anyone who is really concerned about preserving social programs can't afford to be complacent about the rising levels of government spending and debt. Unless this situation is brought into check, Canada's social programs are indeed at risk, not because of limits on spending, but rather because of the lack of limits on spending.

After giving it some considerable thought, I think there's no question that individuals and organizations

that work to see balanced budgets and less spending are the friends of both taxpayers and those who are legitimately dependent on government social programs. Conversely, those who advocate increased spending when taxpayers can't afford it are contributing to the deterioration of the very programs that they claim to defend.



Craig Docksteader is Senior Operations Officer with the Canadian Taxpayers Federation.



Thumbs down to this year's government budgets

by
Robin
Richardson

Siskel and Ebert give a "Thumbs up" or a "Thumbs down" when they approve or disapprove of the movies they review.

In reviewing this year's crop of provincial and federal budgets, the Canadian Taxpayers Federation has given all but one of the federal and provincial/territorial finance ministers an overall "Thumbs down".

The exception is the province of Alberta which received an overall CTF "Thumbs up" for planning to cut spending with no new taxes. Although Alberta still expects a \$2.7 billion deficit, it's tackling its budget deficit by reducing spending instead of through higher taxation.

(At the time of this report, Nova Scotia had not presented a 1993-94 budget because of its recent provincial election.)

The federal, provincial and territorial budgets were rated on three criteria: new taxes, government spending, and budget balance.

Increased taxes
To get a "Thumbs up" ap-

proval rating, the 1993-94 budget had to contain no tax increases compared with the previous year. Considering the high tax burden of Canadians no matter where they live, as well as the fragile state of the emerging economic recovery, tax cuts would be more appropriate.

The only province to rate a "Thumbs up" on this score was Alberta where, in a pre-election budget, there were no new taxes. The federal government also rates a "Thumbs up" for introducing \$2 1/2 billion in tax reductions and for announcing no new taxes in its spring budget.

However, overall the provinces and territories increased taxes by \$4.479 billion, almost twice as large as the federal tax cut. This overall increase was also double the size of the tax increases introduced by the provinces and territories last year.

Overall Rating - Taxes: Thumbs down (except Alberta and the federal government).

Government spending

To get a "Thumbs up" approval rating, the 1993-94 budgets had to freeze or cut spending below the 1992-93

level. Several provinces qualify for a "Thumbs up" on this indicator. These provinces are New Brunswick (-3.9%), Alberta (-3.5%), Manitoba (-1.8%), Prince Edward Island (-1.6%) and Saskatchewan (-0.6%).

Governments that came close to getting a "Thumbs up" rating are Newfoundland (0.2%), Ontario (0.3%), the Government of Canada (0.7%), and the Northwest Territories (0.7). Governments that were clearly excessive in their spending were the Yukon (5.9%) and British Columbia (5.7%).

Overall government spending (excluding Nova Scotia) was up slightly this year compared with fiscal year 1992-93.

Overall Rating - Spending: Thumbs down (except New Brunswick, Alberta, Manitoba, Prince Edward Island and Saskatchewan).

Budget balance

To get a "Thumbs up" rating on budget balance, the governments had to either balance its budget or be in a surplus position.

All governments except Newfoundland show reduced deficits this year. Newfoundland's deficit actually rose by

\$27 million from \$266 million to \$293 million.

The Yukon and the Northwest Territories expect budgetary surpluses in fiscal 1993-94, thereby earning a "Thumbs up" from the Canadian Taxpayers Federation. The Yukon expects to have a small surplus of \$424,000 this year after experiencing a deficit of \$58 million in fiscal year 1992-93. The Northwest Territories expects a surplus of \$8 million this year after experiencing a deficit of \$26 million in 1992-93.

In total, Canadian governments expect to have an overall deficit of \$52.4 billion in 1993-94, down by about \$7.4 billion from a year earlier. This deficit will add directly to the total government sector debt and to the interest cost of serving this debt. This will put upward pressure on governments to increase taxes and will put a further financial squeeze on essential services.

Overall Rating - Budget Balance: Thumbs down (except the Yukon and the Northwest Territories).

The table on the following page presents the available data by level of government for new taxes, government spending and budget balance.

CTF fiscal indicators

Federal and Provincial/Territorial Governments 1993-94 Budget Roundup - In millions of dollars

	Taxes		Expenditures			Budget Deficit-/Surplus+		CTF Indicator
	1992/93	1993/94	1992/93	1993/94	% change	1992/93	1993/94	
B.C.	\$682	\$637	\$17,972	\$18,995	+5.7%	-\$1,950	-\$1,535	👉
Alberta	\$70	\$0	\$14,734	\$14,225	-3.5%	-\$3,169	-\$2,739	👍
Sask.	\$246	\$193	\$4,958	\$4,928	-0.6%	-\$592	-\$296	👉
Man.	-\$7	\$97	\$5,460	\$5,359	-1.8%	-\$695	-\$457	👉
Ont.	\$771	\$1,869	\$53,789	\$53,948	+0.3%	-\$11,990	-\$9,963	👉
Que.	\$259	\$1,530	\$40,455	\$40,858	+1.0%	-\$4,978	-\$4,145	👉
N.B.	\$28	\$75	\$4,487	\$4,311	-3.9%	-\$494	-\$349	👉
N.S.	\$0	N/A	\$4,711	N/A	N/A	-\$641	N/A	N/A
P.E.I.	\$0	\$16	\$806	\$793	-1.6%	-\$83	-\$25	👉
Nfld.	\$6	\$54	\$3,467	\$3,475	+0.2%	-\$266	-\$293	👉
Yukon	\$0	\$7	\$456	\$483	+5.9%	-\$58	+\$0.4	👉
NWT	\$0	\$1	\$1,151	\$1,159	+0.7%	-\$26	+\$8	👉
Sub-total	\$2,055	\$4,479*	\$147,735*	\$148,534*	+0.5%	-\$24,301*	-\$19,794*	👉
Federal	-\$1,107	-\$2,509	\$158,400	\$159,500	+0.7%	-\$35,500	-\$32,600	👉
Total	\$948	\$1,970*	\$306,135*	\$308,034*	+0.6%	-\$59,801*	-\$52,394*	👉

* Excludes Nova Scotia

Mazankowski loses another opportunity

Despite warnings by international investors that Canada's debt is too large, and the widespread willingness of Canadians to see the government reduce spending and balance its budget, Finance Minister Don Mazankowski brought down a budget this spring that increases spending and increases Canada's debt by another \$33 billion.

The Finance Minister has already conceded that his projections for last year's budget were out by a whopping \$8 billion, with \$35.5 billion being added to Canada's debt in 1992-93. He also admitted that last year's budget, which projected the deficit would be reduced to \$8.5 billion by 1995-96, was wrong. And, of course, the Mulroney government had been promising to eliminate the deficit since

1984, when it came to power.

Nevertheless, Mazankowski again assured Canadians that this time he had the right numbers, and the deficit would be steadily reduced to "only" \$8 billion by 1997-98 - two years later than the projection from just last year. That promise prompted Association of Alberta Taxpayers Executive Director Jason Kenney to quip "We're in the ninth year of a five year program to eliminate the deficit!"

So what does the budget mean for Canadians? First, program spending, which many argue should be reduced, will actually rise by \$1.1 billion this year and, should Mazankowski's game plan be put in effect for the next two years, by a further \$3.1 billion in each of 1994-95 and 1995-96. Re-

venues will rise by 3.2% in 1993-94, 7% in 1994-95, and 8.5% in 1995-96.

In other words, to reduce the deficit by \$2.9 billion this year, the government has to increase revenues by \$3 billion. To reduce it by \$3.6 billion next year, the government plans to increase revenues by \$9 billion. And to reduce it a further \$8 billion the following year, the government plans to increase revenues by a further \$11.6 billion.

In the meantime, Canada is going deeper and deeper into debt. By 1995-96, the country's national debt will increase to \$541 billion, and the interest on the debt will cost Canadians well over \$40 billion. That means \$6,000 a year will come out of the pockets of the average Canadian family of four just to

pay the interest on the debt. This is on top of the average \$1,100 a year the same family will be paying in additional

government spending in each of the next three years. One wonders how much longer can this continue?



Mazankowski - a legacy of spending

Government services -- time to shop around?

by Peter Holle

Various studies show that services cost more to deliver when they are provided by government. Why? Simply put, government services are organized in a way that discourages the efficient use of resources.

In many cities, government agencies are the sole providers of services such as bus transit, waste collection, and parks maintenance. However, without the need to compete they have little incentive to control costs. In fact, government managers often have more incentive to overspend as budget and staff size often determine their pay levels.

Many studies confirm that services provided by government work forces tend to have substantially higher costs than those provided by the private sector. For example, in 1986, University of Victoria Professor James McDavid identified several significant cost differences between government and commercial garbage collection services.

McDavid compared cost differences between cities which employed an in-house workforce to collect garbage with cities

which hired or contracted out the same services to commercial operators. After studying 131 Canadian municipalities, he found government garbage collection to be 50 percent more expensive per household than collection by commercial operators.

The same holds true for other municipal services. One of the most complete cost comparison studies to date is an American study which examined the service delivery costs of 121 cities in the Los Angeles area.

Researchers compared cost differences between a range of in-house and contracted services. After adjusting for differences in the quality, quantity, and scale of services, the study found contracted services to be significantly less expensive. (A summary of their findings is provided in the accompanying table.)

The researchers concluded that the commercial operators operate under a different set of incentives. To succeed they had to supply a contracted level of quality service to the government at a lower price. To accomplish this, they used better equipment to do the job. Costs were also reduced by cutting down on absenteeism,

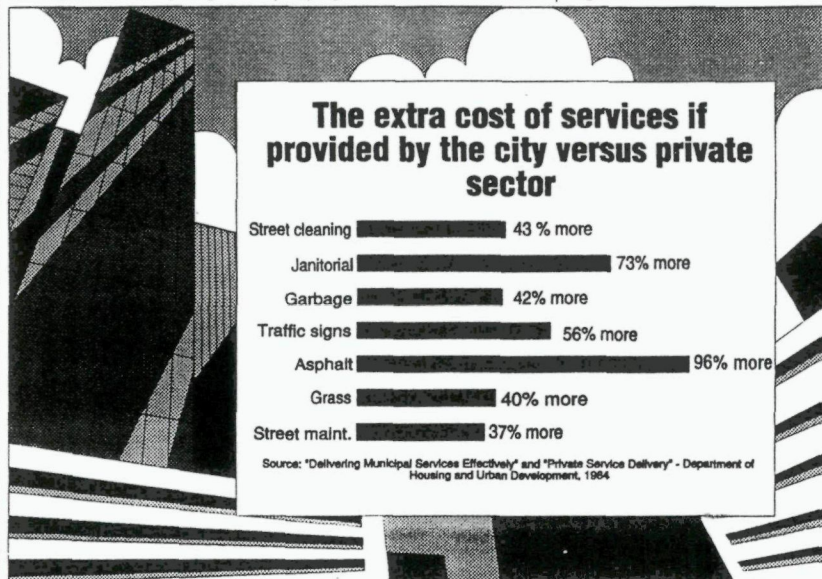
giving supervisors more authority to hire and fire workers, and holding managers responsible for the maintenance of equipment.

In short, the commercial operators had incentives to increase efficiency and productivity. Failing to do so would mean the loss of contracts to competing com-

panies. Although there were significant savings, the study found no differences in the quality of the service.

In summary, both studies point to large potential savings for municipal taxpayers through competitive bidding and contracting out. By buying more services from com-

mercial suppliers, and doing less in-house, cities can save their citizens money while improving the service they receive. Municipal taxpayers are used to shopping around for the goods and services they buy. They deserve no less from those responsible for spending tax dollars.



Competition: the key to low taxes

by Peter Holle

In 1978 a round of property tax revolts swept through many American cities. Taxpayers won the day, and governments across the land found themselves bound by various tax limitation measures. Across the United States, the wave of municipal tax revolts signaled a new era of fiscal re-

sponsibility in the day to day operations of a number of cities.

The City of Phoenix, a fast growing city of 900,000 people, faced enormous demands to keep pace with the area's population growth and the rising need for new streets, facilities, and services. Recognizing that the public was in no mood for continually

increasing property taxes, the city council, after much debate, moved to open a portion of Phoenix's garbage collection services to competitive bids. In an interesting move, the city's Public Works Director, Ron Jensen, decided his department would put in a bid too.

Jensen went back to his office and called together his staff. Over

the next weeks Jensen and his staff began developing the department's proposal for providing collection services to a section of Phoenix. Like a business, they looked at their costs and projected what resources the department would need to provide the service.

When the bid was opened, the city's costs came in higher than the winning bidder and the work was transferred to a private contractor for a five year period. Over the next few years, the city lost 4 garbage collection districts to private contractors due to the new competitive bidding process.

Over time, the department did everything they could to be competitive. This allowed them to lower their bid prices. By 1989, the city work force had won back all 5 collection districts.

Jensen and his staff run the Public Works department like a business. With the need to compete, the city collection team, both managers and employees sat down together, sharpened their pencils, and identified all their costs.

They observed how the commercial contractors provided the service more efficiently and, using modern accounting techniques, they challenged costs from other city departments that inflated the cost of their proposal. In a recent interview, Jensen wel-

comed the city team's opportunity to bid against the private contractors. "We want them there," he said. "It's good for us. We've learned from them. They've learned from us. We need that competition."

It took Phoenix Public Works six years to win back every collection district. Last fall, it lost a district to a company called Waste Management which had a very low bid. "I'm sure it's a money-losing bid," says Jensen. "But we'll learn from them just like they learned from us, and we'll bring the cost down again."

What has this meant for Phoenix? The citizens of Phoenix now pay less for garbage pickup than they did 10 years ago. Collection costs per household have dropped 4.5% per year since 1979. The City Auditor estimates that since Jensen began running his department like a competitive enterprise Phoenix taxpayers have saved at least \$25 million.

An important bonus has been lower than average municipal tax rates. After the slump of the late 1980's Phoenix's population and economy is growing strongly again. Industries and businesses from high tax states such as California, in search of a more competitive place in which to locate, are flocking to the Phoenix area with new investment and jobs.



Competition caused the Public Works Department for the City of Phoenix to be more efficient, saving taxpayers \$25 million.

Private fire fighters cut costs in Arizona

by Peter Holle

A new study by the Reason Foundation in California points to significant taxpayer savings in communities which contract out fire fighting services to the private sector. The study states that "municipal fire departments cannot be expected to operate as efficiently and innovatively as private fire and emergency companies because they rarely face competition and are rarely capable of providing service beyond their municipal boundary."

In Denmark, a consortium of insurance companies owns a private emergency services company that provides fire fighting services to communities representing half the Danish population.

The company, Falck Rescue Corps Ltd., is the world's largest fire protection company with 134 stations throughout Denmark open 24 hours a day. Interestingly, its services cost only one third the cost of comparable government fire fighting services.

Why is Falck so inexpensive? The company lowers its administrative costs by spreading them over many communities.

However, competition is a more important reason. Competition forces the company to constantly look for ways to expand

services, cut costs, and improve quality.

In North America, the most successful commercial fire services company is Rural-Metro Corporation, a \$100 million company based in Scottsdale, Arizona. The company, employing 1,800 people, serves over 50 communities in 5 states. In 1990, it operated the equivalent of 19 fire departments throughout the American south and southwest.

The company has, for example, a master contract to provide fire protection services to the City of Scottsdale, Arizona. The contract is comprehensive and demanding. It specifies response times, penalties for not meeting response times, and almost a dozen reports that must be completed and submitted to the city contract administrator every month. The agreement's thorough and precise nature ensures accountability. It also ensures that Scottsdale taxpayers get their money's worth.

How does Rural-Metro's record compare with traditional city fire departments? The statistics are impressive. The company has one of the lowest fire loss rates in the United States. The losses from fires in areas served by the company are 75% lower than the average. At the same time, the



Privately contracted firefighters in Scottsdale, Arizona, have a fire loss rate 75% lower than the national average and as well provide Scottsdale taxpayers savings of 55% compared to a city run fire department.

cost to taxpayers is 49% lower than the U.S. average, and Scottsdale taxpayers save 55% compared to the cost of providing city-run services.

To keep costs low the company spreads its administrative, research, and training costs over many markets. It uses the latest equipment and technology. It lowers fire losses by emphasizing fire prevention over suppression, and works with the Scottsdale

zoning department to ensure that all new buildings have sprinkler technology.

Big savings come from the company's efficient use of labour. Rural-Metro has fewer full time fire fighters, with the remainder of the fire department being beeper-equipped reservists who are only paid when they respond to calls and attend training sessions.

Employees are well paid, well

trained, and highly motivated. They should be. They have better career prospects in a large organization like Rural-Metro compared to the limited career prospects in the typical stand alone fire department. Finally, the employees own about 60% of the company, and profit directly from good company performance.

From these two examples, and the many more that are operating successfully around the world, municipalities throughout Canada should reexamine how they provide services such as fire protection, and whether they can't provide those services better and at a more reasonable price.

Government penny pinchers?

Some may find this hard to believe, but there are actually penny pinchers in the federal government. No, this is not another fairy tale. Deep in the confines of the Comptrollers Department, there exists the little known Cash Management Program (CMP) which has been keeping a close eye on government spending since its inception in 1985-86. By its own calculations, CMP has saved taxpayers over \$2.8 billion since it was established.

The Auditor General 1987 report to Parliament noted that the government had incurred \$7 million in additional interest costs in

1984 and 1985 as a result of early payments on the new fighter aircraft, the CF-18. As well, an additional \$4 million was lost due to higher than necessary payments made between 1980 and 1984.

By way of contrast, one of the ways the CMP saves taxpayers money is by strictly controlling when the government pays its bills. If bills are paid too early the government loses money by either having to borrow or by losing the interest the money could have collected sitting in an account. If bills are paid too late, there are penalties to pay. By strictly monitoring its payments,

the government saved \$42.2 million in the first five years alone.

CMP also eliminated any government bank accounts that did not earn interest and reduced the number of government bank accounts from 1,000 in 1986-87 to just over 20 in 1988-89.

As well, CMP suggested that chronic unpaid student loans and fraudulent unemployment insurance overpayments be checked against refunds being issued by the Income Tax Department. Refunds are then held back on any who are found to have outstanding student loans. Precautions are taken to ensure this would not un-

duly affect those experiencing financial hardship. In the first year of the pilot program, \$26.3 million was collected in overdue student loans, including payments from doctors, lawyers and other professionals. As well, many others volunteered to pay off their loans when they became aware of the program. In addition, \$16.4 million in fraudulent UIC claims were also collected.

Of course, CMP has also seen savings achieved through a number of smaller projects. For example, the Department of Defence realized savings through a number of measures, including the decision to not paint all staff cars black, which saved over \$100,000. In addition, the maintenance policy on cars at one base required yearly rust proofing. This was eliminated when it was realized the cars came with a five year warranty against rust, saving \$27,000. In another instance, an Armed Forces school saved \$237,000 by simply switching to lower cost fuel. At another base, union agreements required drivers to drive tradesmen (plumbers, electricians, etc.) to the various job sites. The decision was made to allow personnel to drive themselves, saving \$425,000.

As slim as they might be, there are some signs of hope.

Who says you can't take it with you?



It should come as no surprise, but there's a museum dedicated to collecting artifacts on taxation. It's located in Rotterdam, Holland and when it opened in 1937, it was intended to help train Dutch tax collectors.

One item of particular interest among the museum's five floor collection is a statue dug from an Egyptian pyramid. It's apparently a figure of the Pharaoh's Taxation Officer whom the pharaoh was planning to take with him into the nether world. The statue shows that he fully intended to continue taxing all those subjects that were already there and as well, those who would be joining him.



Taxpayers lost \$11 million simply because the government made early payments on the CF-18 project.

Are federal income taxes legal?

by Melvin H. Smith, QC

It is not surprising that, at a time when the beleaguered Canadian taxpayer is bending low from the ever increasing tax burden imposed upon him by three levels of government, some will clutch at any straw in the hope it will lighten the load.

One such straw is the mistaken belief held by some zealot tax reformers that the federal government does not have the power under the Canadian Constitution to impose an income tax on Canadians. Their claim is that the government's effort to do so, which first began as a wartime scheme in 1917, is a well-concealed fraud. These zealots invariably quote in support of their position a 1950 decision of the Supreme Court of Canada in a case entitled *Attorney General of Nova Scotia versus Attorney General of Canada and Lord Nelson Hotel Company Limited*.

To these misled souls, I am sorry to have to say that neither a fair reading of the Constitution nor of the Lord Nelson case gives any support for the proposition that federal income tax is illegal or unconstitutional. Let me explain:

The breakdown of power

Sections 91 and 92 of the *Constitution Act, 1867*, list subject matters over which the federal and provincial governments can exercise legislative jurisdiction. Section 91 sets out the federal powers; section 92 the provincial powers. Each level of government is stated to have exclusive jurisdiction over its own particular subject matters, which means the other level is excluded from

legislating on those subjects. Since each level of government imposes taxes, it is not surprising that under the Constitution each is given a specific taxing power. The federal taxing power is contained in clause 3 of Section 91 which reads, "The raising of money by any mode or system of taxation." One would find it difficult to devise a comparable set of words which could convey any clearer the intention to make the taxing power of the federal government all embracing in scope.

The provincial taxing power, on the other hand, is contained in clause 2 of Section 92 which reads, "Direct taxation within the Province in order to the raising of a revenue for provincial purposes."

The argument of the zealots goes something like this: Since each level of government is afforded under the Constitution exclusive jurisdiction on the subject matters listed to the exclusion of the other (true) and since income tax is direct taxation (true), then only the provinces can impose income tax (false).

The fallacy lies in not reading fully what the provincial taxing power says. It does not say the provinces have the exclusive right to impose direct taxation. What it does say is that the provinces have exclusive right to impose direct taxation to raise "revenue for provincial purposes." By contrast, when the federal government imposes an income tax it does so for federal purposes (obviously) and therefore it cannot be said to be infringing upon the provincial taxing power. The provincial taxing power, i.e. direct taxation for provincial purposes, must be looked upon as carving out a

small chunk of the ample federal taxing power above described. It means the federal government cannot impose direct taxation (including income tax) for "provincial purposes", but why would it want to?

Don't forget the Caron Case

The above interpretation is supported by the highest judicial authority. In the 1924 case of *Caron v. The King*, the Judicial Committee of the Privy Council, Canada's highest court at the time, affirmed unequivocally that the federal parliament had the constitutional power under section 91(3) to impose an income tax.

The Privy Council decision in the Caron case, which affirmed the judgement of the Supreme Court of Canada, is the first, last and determinative word on the question of the constitutional validity of federal income tax. Apparently, the zealots who champion the 1950 decision in the Lord Nelson case, which as we will see has nothing to do with the federal income tax question, are either unaware of, or totally ignore the Caron case. Is it a case of "my mind's made up, don't confuse me with the law"?

In the Caron case, Lord Phillimore, speaking for the Privy Council, stated:

It is true that by the provisions of s. 92 the Legislature in each Province may exclusively make laws in relation to certain matters coming within the classes of subjects which are there enumerated, and that one of these classes of subjects is "direct taxation within the Province in order to the raising of a revenue for pro-



Does the Lord Nelson Hotel case show the federal government is breaking the law by imposing an income tax?

vincial purposes.

"As such particular direct taxation is reserved to the Province, to that extent there is some deduction to be made from the totality of power apparently given exclusively to the Dominion Parliament to raise money for any purpose by any mode or system of taxation. (my emphasis)"

The Lord Nelson Myth

This leads us to a consideration of the Lord Nelson Hotel case. What did it really decide and how is it that over the years it has become the Holy Grail of those who claim that federal income tax is unconstitutional?

The case concerns an attempt by the government of Nova Scotia to provide by enabling legislation the delegation of certain of its exclusive legislative powers to Parliament in Ottawa, and also to provide Ottawa the power to delegate certain of its powers to the Legislature of Nova Scotia. The Bill was passed in the Nova Scotia legislature in 1947 and, because doubts immediately arose as to its constitutionality, it was referred to the courts for an opinion. Both the Supreme Court of Nova Scotia *en banc* and the Supreme Court of Canada found the legislation to be unconstitutional on the grounds that one level of government could not delegate its power to legislate on matters within its jurisdiction to the other level of government and vice versa. The subject matters over which Nova Scotia sought inter-governmental delegation dealt with employment in industries, works and undertakings. The

legislation also attempted to delegate certain indirect taxation power to Nova Scotia.

The zealots maintain that the case decided that one level of government cannot delegate its law-making power to the other (true). They then take a giant leap by declaring that since only the provincial government can impose direct taxes (false, for the reasons above stated) it is unconstitutional for the federal government to impose the ultimate direct tax—income tax (false).

The Lord Nelson Hotel Case is one of the leading authorities on the question of interdelegation of legislative powers between the two levels of government, but it has absolutely no application to the question of whether the federal government can impose an income tax.

The power of the federal government to impose income tax for federal purposes is firmly grounded in Clause 3 of Section 91 of the Constitution, referred to above. It does not depend on any interdelegation of legislative power from the provinces. It matters not a wit legally that the federal government chose not to exercise the power until 1917, nor does it matter that what was to be merely a First World War revenue source continues to be with us today.

The hoary mythology of misinterpretation that attaches itself to the Lord Nelson Hotel case has produced more barnacles than Nova Scotia's famous Bluenose, a scant few miles away. Let's once and for all sink the myth and give it the burial it deserves.



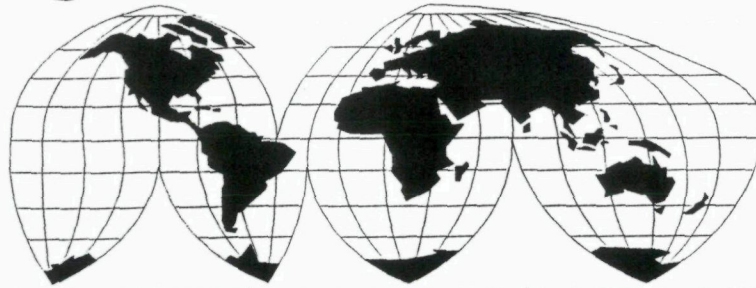
Mel Smith was the ranking advisor to four successive B.C. governments on the subject of constitutional reform and related federal-provincial issues. He is a recognized national authority on issues concerning the constitution, and is a member of the CTF Advisory Board.

Canadian governments on the SIC List

It may come as a surprise to you, but the total government debt facing Canadian taxpayers has placed them in the company of the nations of the third world.

A recent study by the Canadian Taxpayers Federation measured the total government debt of 162 nations, and found that of these, 46 were severely indebted. Of the 46 severely indebted countries, Canada was ranked number 33 (or 40 when the 10 provinces are included as separate entities). This puts Canada in a position that is worse than countries such as Argentina, Poland, Mexico, and Brazil.

What did Canada do to qualify for a list made up of mostly



third world countries? For the answer, you don't have to look far. In the period from 1988-90, Canada's total government indebtedness was equal to 85% of the annual economic output of the country, or the GDP (Gross Domestic Product). This is well above the 50% threshold the World Bank says qualifies a

country as severely indebted in conjunction with two other critical measures.

These include: the debt-to-export and the interest-to-export thresholds. These measures put Canada squarely in the Severely Indebted Category, or SIC List, that the CTF study adapted from the World

Bank. Only one other high-income country, Italy, falls in the same category.

The news gets worse. If considered as separate economies, each of Canada's provinces also are considered Severely Indebted on the SIC List. The CTF study ranked each province by combining the total mu-

nicipal and provincial debt (including the net debt of government owned enterprises) with each province's share of the federal debt, according to its population.

And, while many third world nations on the SIC List are lowering their level of indebtedness, every Canadian province is, in fact, becoming more indebted by the day.

The table on page 12 lists the 46 countries and ten Canadian provinces in the Severely Indebted Category, ranking them from the most severely indebted (#1) to least severely indebted (#56). Taxpayers can see for themselves the company we now keep.

The story gets worse

In spite of the shocking results of this study, it is important to note that the indebtedness of Canada and Canadian provinces is understated for a number of reasons.

In the first place, the debt to GDP ratio represents the average ratio over the years 1989-1991. Today, following two years of a worsening trend, Canada's ratio is higher, while many other countries on the list will, in all likelihood, be lower. In other words, while countries such as Nicaragua, Congo, Sudan, Nigeria and Mexico are moving off the list, Canada and each of the ten provinces are moving higher up the list.

Secondly, Canada's total government indebtedness as calculated for this study does not include any indebtedness of local government business enterprises, hospitals, universities, the Canada or Quebec

Pension Plan, and some unfunded liabilities of civil service, MP or MLA pension plans. If all of these statistics were available and incorporated into the study, Canada would again be higher on the list.

Thirdly, the indebtedness ratios for Canada reflect the debt position after financial assets have been subtracted, which is known as Net Debt. This means that the numbers reflect Canada's debt level as it would appear if all bank accounts, securities, advances, inventories, etc. were turned into cash for their full book value, and the proceeds applied against the gross debt. For the low income countries monitored by the World Bank, however, the debt figures used are the Gross Debt figures -- no financial assets have been deducted.

It is reasonable to assume that Gross Debt will not differ

greatly from Net Debt for low and middle income countries since these countries do not have sizeable financial assets. However, if there are exceptions to this rule, Canada's in-

debtedness relative to these countries will be understated. In other words, Canada could very well move even further up the list.

The three World Bank cate-

gories of indebtedness, together with the critical values employed for identifying countries in the CTF Severely Indebted Category (SIC) List are as follows:

Classification of the OECD countries

Level and 1988-90 trend of indebtedness - ranking worst to best in category ⁽¹⁾

Less Indebted Countries

Denmark
France*
Germany
Japan
Australia
Finland
Sweden

Moderately Indebted Countries

Belgium
Ireland
The Netherlands*
Austria
United Kingdom
U.S.A.*
Spain*

Severely Indebted Countries

Italy*
Canada*⁽²⁾

* denotes worsening trend of indebtedness

(1) 1988-90 was chosen since actual government data was available. Beyond 1990, OECD figures are estimates only. (2) Canadian government debt figures in this study are based on Statistics Canada FMS data for public institutions. Note: No debt statistics are available for Iceland, Luxembourg, New Zealand and Switzerland, all of which are high-income countries. Source: Economics Department, OECD, Paris, France and Canadian Taxpayers Federation, National Research Office, Victoria, B.C.

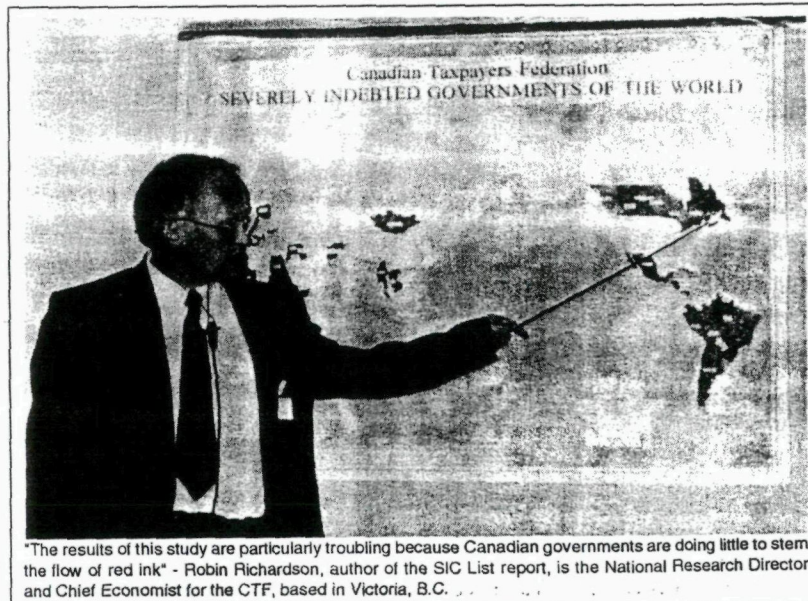
Comparing Canada with the third-world

In the CTF study "Severely Indebted Governments", total levels of government indebtedness of 174 world economies are compared with relation to measures of economic performance. This study provides Canadians with a benchmark indicator of the magnitude of their total government debt. In addition, it further illuminates Canada's total government debt position by considering Canada's position in relationship to the rest of the world.

It is important, however, to note that this study is not a study of wealth, income levels or prosperity. In fact, the income levels of the nations compared in the study vary considerably.

Consequently, the ability to repay government debt while maintaining necessary government infrastructure will also vary considerably between these countries.

What one can conclude, however, is that Canada's level of indebtedness is severe and shocking. Only one other industrialized country, Italy, is more severely indebted than Canada. The fact that Canada ends up on a list with primarily third world countries should not be dismissed lightly. On the contrary, it provides damning testimony that government spending in Canada has driven government debt to shocking levels.



"The results of this study are particularly troubling because Canadian governments are doing little to stem the flow of red ink" - Robin Richardson, author of the SIC List report, is the National Research Director and Chief Economist for the CTF, based in Victoria, B.C.

Canadian Taxpayers F

• Severely Indebted Gove



Taxpayers Federation

Governments of the World



The Canadian Taxpayers Federation

The most indebted governments on earth

1992-93 Government Debt SIC - List - (Severely Indebted Category)

Country/province	Total government Debt-to-GDP Ratio average % 1989-1991 ⁽¹⁾	Income level	1989-1991 Indebtedness trend ⁽¹⁾
1. Guyana	800.8	Low	Worsening
2. Nicaragua	740.9	Low	Improving
3. Mozambique	409.3	Low	Worsening
4. Sao-Tome and Principe	320.3	Low	Worsening
5. Guinea-Bissau	315.3	Low	Worsening
6. Tanzania	252.3	Low	Worsening
7. Somalia ⁽²⁾	236.5	Low	Worsening
8. Mauritania	218.7	Low	Improving
9. Jordan	214.8	Middle	Worsening
10. Zambia ⁽²⁾	214.5	Low	Worsening
11. Cote d'Ivoire	205.7	Middle	Worsening
12. Congo	193.1	Middle	Improving
13. Equatorial Guinea	180.1	Low	Improving
14. Sudan	176.9	Low	Worsening
15. NEWFOUNDLAND ⁽²⁾	160.1	HIGH	WORSENING
16. Syrian Arab Republic ⁽²⁾	150.0	Middle	Improving
17. Panama	143.5	Middle	Improving
18. Egypt, Arab Republic	140.8	Low	Improving
19. Liberia ⁽³⁾	140.4	Low	Worsening
20. Madagascar	140.4	Low	Stable
21. Sierra Leone	139.7	Low	Worsening
22. Jamaica	139.0	Middle	Worsening
23. NEW BRUNSWICK ⁽²⁾	122.1	HIGH	WORSENING
24. Ecuador	120.8	Middle	Improving
25. Laos People's Democratic Rep	120.8	Low	Improving
26. NOVA SCOTIA ⁽²⁾	119.9	HIGH	WORSENING
27. Zaire ⁽²⁾	116.5	Low	Worsening
28. PRINCE EDWARD ISLAND ⁽²⁾	116.4	HIGH	WORSENING
29. Honduras	115.1	Low	Worsening
30. MANITOBA ⁽²⁾	112.3	HIGH	WORSENING
31. QUEBEC ⁽²⁾	112.1	HIGH	WORSENING
32. Nigeria	109.4	Low	Improving
33. SASKATCHEWAN ⁽²⁾	107.7	HIGH	WORSENING
34. Mali	102.8	Low	Stable
35. Angola ⁽²⁾	96.2	Middle	Improving
36. Italy	95.9	High	Worsening
37. Bolivia	94.2	Middle	Improving
38. Uganda	94.1	Low	Worsening
39. Morocco	91.6	Middle	Improving
40. CANADA	85.0	HIGH	WORSENING
41. Burundi	82.6	Low	Stable
42. Kenya	82.1	Low	Worsening
43. Argentina	77.8	Middle	Improving
44. Niger	75.6	Low	Improving
45. ONTARIO ⁽²⁾	72.7	HIGH	WORSENING
46. BRITISH COLUMBIA ⁽²⁾	70.9	HIGH	WORSENING
47. Poland	66.0	Middle	Worsening
48. Ghana	65.6	Low	Worsening
49. Bulgaria	58.5	Middle	Worsening
50. Algeria	58.4	Middle	Worsening
51. Peru	56.0	Middle	Improving
52. Ethiopia	53.2	Low	Worsening
53. ALBERTA ⁽²⁾	50.3	HIGH	WORSENING
54. Mexico ⁽⁴⁾	42.4	Middle	Improving
55. Myanmar	34.3	Low	Improving
56. Brazil	26.6	Middle	Worsening

Footnotes:

The purpose of the Total Government Debt SIC-List (Severely Indebted Category) is to put the indebtedness of our Canadian provinces and territories into a broader international context, thereby providing Canadians with a comparative analysis and benchmark of the magni-

tude of their government debt no matter where they live in Canada. It should be noted that the income levels of the countries and provinces compared in this study vary considerably. Consequently, the ability to repay government debt while maintaining necessary infra-

structure will also vary significantly.
Income level
Low: 1991 GNP per capita of no more than \$635 U.S.
Middle: 1991 GNP per capita of more than \$635 U.S. and less than \$7,910 U.S.
High: 1991 GNP per capita income ex-

ceeds \$7,910 U.S.

(1) 1989 to 1991 average, unless otherwise specified
(2) 1988 to 1990 average
(3) 1985 to 1987 average
(4) 1987 to 1989 average

Source:
The International Bank for Reconstruction and Development: The World Bank, Washington, D.C., U.S.A.; Economics Department, OECD, Paris, France; National Research Office, Canadian Taxpayers Federation, Victoria, B.C.

Canada forgives and forgets

Taxpayers out nearly three quarters of a billion dollars on bad loans

It's so easy to forgive and forget when it's not your money. The 1993-94 Public Estimates tabled in the House of Commons by former Treasury Board President Gilles Loiselle reveals that the government wants to forgive over \$718 million in loan and interest payments in 1993-94. This includes defaults on loans and payouts to lending institutions for guarantees and insurance the federal government has made on behalf of other organizations and businesses.

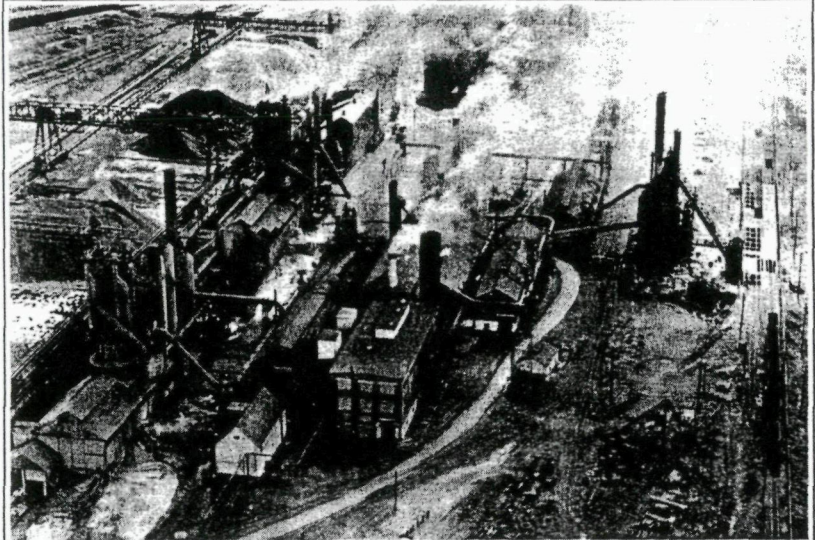
The federal government wants to forgive the \$5.3 million it lent to the Sydney Steel Corporation of Nova Scotia. Owned by the Nova Scotia government, the Cape Breton company borrowed the money in the early 70s to build a wharf. The government also wants to forgive the \$20.4 million in interest payments the corporation owes on the loan.

Expro Chemicals Products Ltd. received a loan of \$25 million in 1987-88 from the federal government. The company paid off \$400,000 but, due to problems at Expro, the government wants to

write off the remaining \$24.6 million and the \$10.4 million in accrued interest and service charges. Expro supplies propellants and explosives to the Department of Defence.

Curragh Resources received a loan guarantee from Industry, Science and Technology for the construction of its Westray mine in Pictou County, Nova Scotia. To receive the \$95 million loan from the Bank of Nova Scotia, Curragh only had to guarantee 15% of the loan, and the federal government the remaining \$80.75 million. On May 9th an explosion at the mine resulted in its closure and a subsequent default on the loan. On June 5, the Bank of Nova Scotia called in the Westray loan, forcing the federal government to pay out its loan guarantee. In this year's estimates, the federal government plans to pay off the remaining \$49.25 million owed on the guarantee.

Industry Science and Technology will also be setting aside \$40 million to cover bad loans made under the Small Business Loans Act and to pay out insurance and



Sydney Steel - Government wants to write off \$25.7 million

guarantees made under the Industrial and Regional Development program and the Enterprise Development program.

The government also wants to forgive a \$4.6 million loan given to the International Tin Association, an organization that was set up to help stabilize tin prices. (Apparently, since the association was disbanded in 1985, the government has determined the chances for repayment are rather slim!)

The government also announced its intention to forgive over \$181 million in loans to 11 Commonwealth Caribbean countries, ranging from a high of \$93 million to Jamaica to a low of \$452,000 to St. Lucia. The government also wants to forgive up to \$9.5 million in accrued interest

payments and service charges.

The estimates also stated that the government intends to forgive a \$55.1 million loan made to Egypt.

The Finance Department will pay off the \$75 million debt owed by Canada Eldor Inc. to the Bank of Montreal. Canada Eldor is a successor to Eldorado Nuclear Ltd., a federal crown corporation.

Employment and Immigration is also planning to write off \$505,750 in immigration transportation loans in fiscal year 1993-94. The loans are made available to people in Canada wanting to sponsor their spouse or children to come to Canada. The government provides loans to help individuals pay to transport their family members to Canada.

As well, the Atlantic Canada

Opportunities Agency is setting aside \$13.5 million to pay off loans and guarantees that they issued. This includes \$3.5 million under the Small Business Loans Act, while \$10 million is expected to be paid out on defaulted loans that the government has agreed to insure.

Agriculture Canada has set aside a total of \$6.5 million to pay off defaulted payments on loan guarantees. The government will pay out \$4 million under the Farm Improvement and Marketing Co-operatives Act, and \$1.5 million under the Advance Payments for Crops Act.

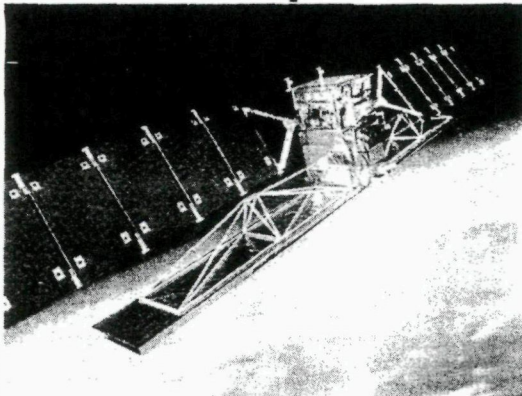
Under the Student Loans Act, the government guarantees loans to the banks for any money they lend to individuals attending post-secondary schools. The government estimates that it will have to pay out \$186.6 million. Including this year's defaults, the government has paid out over \$1.6 billion to lending institutions on defaulted student loans and, of this amount, approximately \$500 million has been recovered.

As well, Western Economic Diversification wants to set aside \$14 million for write-offs under the Small Business Loans Act. The Department of Indian Affairs wants to set aside \$2 million with respect to liabilities and loan guarantees made to Indians for housing and economic development.

And finally, \$20 million has been set aside for liabilities under the Small Business Loans Act for the Federal Office of Regional Development - Quebec.

With this type of track record, some would rightly suggest that the government should get out of the banking business and back to the business of governing.

Lost in space?



There is growing concern that Canada's contribution to the U.S. space station project is in jeopardy because of U.S. budget cuts.

The Canadian government had earmarked \$920 million to build a robot arm for the space station. The arm, designated the Space Station Remote Manipulator System (SSRMS), would be a larger version of the Canadarm that is now part of each space shuttle.

The SSRMS is intended to be a tool to pick up and move around the different components that will go into the space station and to grab on to the visiting space shuttle during docking. Other applications being planned would be service and maintenance work, the capture and launching of satellites, and supporting astronauts who are

working in space.

Under the original plans, the high-tech arm would have an even higher-tech hand, called the Special Purpose Dexterous Manipulator (SPDM). The SPDM would, according to the Canadian Space Agency, have "the skill to do everything from the heavy work of a stevedore to the delicate touch of a surgeon". It would be used to replace faulty components and work on electrical circuits, fuel lines, and cooling systems.

However, in redesigns of the space station design ordered by U.S. President Clinton, NASA has proposed that the project be downscaled reducing the need for the SPDM.

So far, the federal government has spent \$750 million developing SSRMS.

Crow calls for more discipline in government spending

Bank of Canada Governor John Crow is the man responsible for making sure the Canadian dollar maintains its value over time. His decisions directly affect how much interest you'll pay on your loans, or receive on your deposits. He also is instrumental in determining whether the economy will have low or high inflation, and whether your wages will go up a little or a lot.

John Crow expressed his opinion on the effect of government debt in the Bank of Canada's most recent annual report. In it, Crow says the following: "Debt has weighed heavily on all levels of our government. The debt buildup resulted from a long period of sizable budgetary deficits.... The outcome has been a sharply reduced capacity on the

part of governments to respond to unexpected developments, such as the pressures of the recent recession and subsequent slow recovery.



Crow - Government debt has hindered recovery

Wheat Board and Export Development Corp. owed big bucks

Canada has loaned over \$16 billion to foreign countries, and \$12 billion of that is owed to two crown corporations, the Export Development Corporation (EDC) and the Canadian Wheat Board (CWB).

These two crowns borrow their money on the open market and these debts are guaranteed by the Canadian government, which then turns around and lends it to foreign interests who want to buy Canadian products. Subsequently, should these countries default on their payments, it's Canadian taxpayers

who will be left holding the bag.

In his report to the House of Commons, Auditor General Denis Desautels believes the government has not accurately recognized the huge risks associated with these loans. The government has always claimed that they will ultimately be repaid, but Desautels doesn't believe this to be the case.

The Auditor says that until the 1980's, it was generally believed that loans to foreign countries would be collected. However, recent events have clearly shown that there are no guarantees. Some repayments may be delayed indefinitely, and other loans totally or partially written-off. He said financially troubled countries can have their debts rescheduled. In fact, the Canadian government has already initiated debt relief to a number of countries and, in the case of Poland and Egypt, the government, on behalf of taxpayers, has agreed to pay EDC and CWB part of the interest payments that these two countries owe.

Furthermore, in October 1992, Standard and Poors, a U.S. bond rating service, downgraded Canada's foreign cur-

rency debt rating from AAA to AA due to the debt of the EDC and the Canadian Wheat Board. These types of downgrades can force governments into offering higher interest rates if it wants to borrow money on international markets. This, in turn, increases costs to the taxpayer.

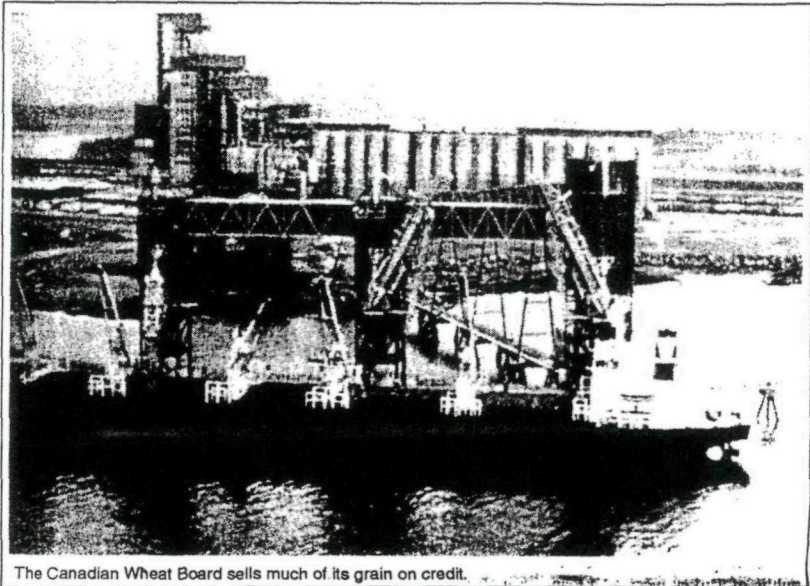
In 1990, the government showed that it was anticipating debt relief actions by setting up an allowance in its financial statements. The Auditor contends that on one hand the government states that all loans will be paid back while on the other it is making contingency plans

in case they're not.

This seems to be an indication that the federal government has hidden several billion dollars of national debt behind the shaky premise that loans made to bankrupt foreign countries will ultimately be paid back.



Desautels - Federal government not accurately recognizing risks of loans made to other countries.



The Canadian Wheat Board sells much of its grain on credit.

Frugal guardian of the public purse

- Canada's first Auditor General -

Canada's first Auditor General was a colourful Scot who doggedly pursued every instance of government waste he could find, no matter how insignificant it may have appeared to others. John L. McDougall was a lumber merchant by trade, a man who served as an Ontario

Liberal MP before being named Auditor General in 1878 by Prime Minister Mackenzie at a salary of \$3,500/year.

Unlike modern Auditors General, who review government spending after it has already taken place, McDougall was responsible for approving

each and every government cheque that was issued. He drew the wrath of bureaucrats and politicians alike for his refusal to authorize payments which had been already approved by Cabinet Ministers, and he was often in a battle royal with the government over his decisions.

refused to approve a \$10/day living allowance for two deputy ministers who were travelling in Europe on government business, noting that "There has been no statement from either Mr. Courtney or Mr. Burbidge that he spent \$10 a day, or even more than \$5, for his living expenses, and no investigation to show that he did."

questioned the invoice when he noticed that the bridge piles carried a cost of one dollar each. As a lumber merchant, he knew the price should have been 35 cents.

As he investigated further, he discovered that the contractor responsible for construction was the company's own president! Digging further, McDougall discovered that no tenders had been called, the company had kept no regular accounts, had no bank account, and three quarters of the expenditures had been substantiated solely by a receipt signed by the president. Included in these expenditures was a bill for \$5,000 for inspection services - paid to the same man.

After having the bridge appraised by an independent engineer at \$98,000, McDougall authorized a payment to the South Shore Railway Company of \$14,700. The company accepted the payment without protest, and McDougall could brag he had saved the government \$16,828 - more than four times his own annual salary.

Source: *Cordial But Not Casy* by Sonja Sinclair



John L. McDougall - Canada's first Auditor General. Canada's Auditors General have a tradition of describing government spending the way it is and over the years have proved to be a constant thorn in the flesh of governments.

Rejects padded bill

McDougall's first confrontation with the government came when he refused to authorize a payment of \$368.60 for the printing of six thousand French versions of the budget address. McDougall wrote the Deputy Finance Minister that he had satisfied himself that the work could have been done for \$188.05, and that was all he would authorize. He added, "You will observe that I disallow the whole charge for translation; it is to be presumed that the official version already given in Hansard is in a more authoritative form."

Bureaucrats didn't escape unscathed, either. McDougall

Bridge over troubled water

However, McDougall, and his office, gained prominence from one investigation in particular. McDougall unravelled a complex bridge construction deal and proved that the South Shore Railway company and its president had tried to bilk the taxpayers for more than twice the amount they were entitled to.

The government's policy was to subsidize 15% of the cost of bridge construction. South Shore presented the government with a bill for \$31,528, and provided documents indicating the total construction costs had been \$217,000. McDougall

in few

Export Development Corporation

The following is a list of the financial arrangements made by the Export Development Corporation (EDC), a government crown corporation, for the period between January 1 and April 28, 1993. The amounts are in Canadian funds unless otherwise stated. Monies borrowed by the EDC are guaranteed by the government of Canada.

January 15, 1993 - The government has entered into a reinsurance agreement with Mexico's official export insurance agency. EDC will now guarantee some of the financing made by its counterpart in Mexico to businesses in its country and the Mexican agency is offering the same service in turn to Canada.

January 28, 1993 - The government extended financing of up to \$8.67 million (US) to allow CAE Electronics of Ville Saint-Laurent, Quebec to sell a Boeing 747-400 flight simulator to Air India of India.

January 28, 1993 - The government extended \$115,511 (US) in financing to Petroleos Mexicanos (Pemex), a Mexican state-owned oil company, to help it buy an electronic automatic ignition system from Mactronic Ltd. of Red Deer, Alberta.

January 28, 1993 - The Republic of Turkey received a loan to allow it to buy DC electric motors from General Electric Canada, Inc. The financing will be for as much as \$7.9 million (US).

February 3, 1993 - General Motors of Canada Ltd. sold fifteen GT-36 CU-MP diesel elec-

tric locomotives, spare parts and tools as well as training services to Zambia Railways Ltd., of Zambia. The EDC will provide (in conjunction with the Meridien International Bank) financing of up to \$11.2 million (US).

February 17, 1993 - The federal government will provide \$50 million in financing to the National Bank of Ukraine to print bank notes. The money will be printed by the Canadian Bank Note Company, Ltd. of Ottawa, Ontario.

February 19, 1993 - The Government of Canada extended a line of credit of up to \$35 million (US) to the Bank of China. The money will be used by the Chinese government to buy digital switching systems from Northern Telecom Canada Limited.

February 19, 1993 - The Chinese government will receive up to \$7.8 million (US) to finance the purchase of digital telecommunications equipment from Harris Farinon Canada Inc. of Dorval, Quebec. The money will be channelled through the Bank of China.

February 23, 1993 - Com Dev Ltd. and Telesat Canada will supply satellite subsystems and consulting services to International Private Satellite Partners of Delaware, U.S. The government will supply financing of up to \$15 million (US).

February 26, 1993 - The Government of Canada will lend up to \$32.4 million to CIC Canadian Industrial Consortium Inc. This funding will be used to support the sale of pulp mill equipment

and related services to the Shaowu Paper Mill in China's Fujian Province.

February 26, 1993 - Sterling Pulp Chemicals Ltd. of Islington, Ontario will receive \$4.98 million (US) to support the sale of Sterling's equipment and services to the China National Overseas Trading Corporation for a sodium chlorate crystal plant.

February 26, 1993 - The government will lend up to \$5.4 million (US) to Hymac Ltd., of Laval Quebec to support the sale of a 150-TPD thermomechanical pulp mill for the Guangzhou Paper Mill in China's Guangdong Province.

March 1, 1993 - The Bank of China will receive a loan of up to \$15.2 million (US) from EDC which will be used to purchase three 19MW bulb-type turbine generating units and services from Sulzer Escher Wyss Hydro located in Lachine, Quebec. The equipment will be used for the Gaotan hydro-electrical power plant in China's Hunan province.

March 3, 1993 - The Government of Canada announced it will provide \$2.17 million in financial support to Ingersoll-Rand Canada Inc. of Montreal and Bover Engineering Products of Calgary, Alberta. The companies will be supplying oil industry products to Oil India Ltd., a government owned corporation in India. EDC will provide up to \$1.17 million in financial support to Ingersoll-Rand and \$175,000 to Bover and the Canadian International Development Agency will provide

\$718,000 to Ingersoll-Rand and \$107,000 to Bover.

March 3, 1993 - The federal government will lend the Shanghai Foreign Trade Corporation up to \$2 million. The money will be used to support the sale of a feed premix plant, egg processing equipment and related services from Feed-Rite Ltd. of Winnipeg, Manitoba.

March 3, 1993 - The China National Technical Import and Export Corporation will receive \$5 million (US) to support the purchase of equipment and related services for a coal gasification plant in the city of Luohe. The equipment will be supplied by Joe Ng Engineering Ltd. of Hamilton, Ontario.

March 4, 1993 - The federal government is providing a \$262,500 (US) line of credit through the Banco Nacional de Comercio Exterior, S.N.C. in Mexico, to Tubacero, S.A. de C.V. of Monterrey, N.L. in Mexico. The money will be used to buy an 18 to 30 inch flying pipe cutoff machine from B.S.L. Machine Ltd. of Edmonton, Alberta.

March 5, 1993 - The Beijing World Trade Corporation will receive a \$4.5 million (US) loan to support the sale of natural gas transmission and distribution system by Joe Ng Engineering Ltd. of Hamilton, Ontario.

March 5, 1993 - The government will lend up to \$3.424 million (US) to the China National Pharmaceutical Import and Export Corporation to support the sale of four hard gelatin capsule

manufacturing machines. The equipment will be supplied by R&J Engineering Corporation of Kitchener, Ontario.

March 19, 1993 - Site Oil Tools of Calgary, Alberta concluded a sale with the Oil and Natural Gas Commission of India. EDC provided financial assistance of \$375,000 and the Canadian International Development Agency provided a grant of \$230,000 to aid the sale.

March 30, 1993 - Upsilon Estate International Inc. of Brossard, Quebec will be supplying material and services for the construction of a five-star hotel in the province of Hainan in China. The government will provide financial assistance of up to \$9.28 million (US) to Hai Nan Dao Hotel Co. Ltd. for this venture, through a line of credit at the Bank of China.

April 15, 1993 - The federal government provided \$1,441,527 (US) in financial assistance to enable General Electric of Canada Inc., of Peterborough, Ontario to sell DC electric motors and related parts and services to Cementos Tolteca, S.A. de C.V. of Mexico.

April 15, 1993 - Stelco Technical Services Ltd. of Burlington, Ontario sold coilbox technology transfer/licensing package to APM, S.A. de C.V., a steel company in Mexico. EDC will provide financing of up to \$977,508 US.

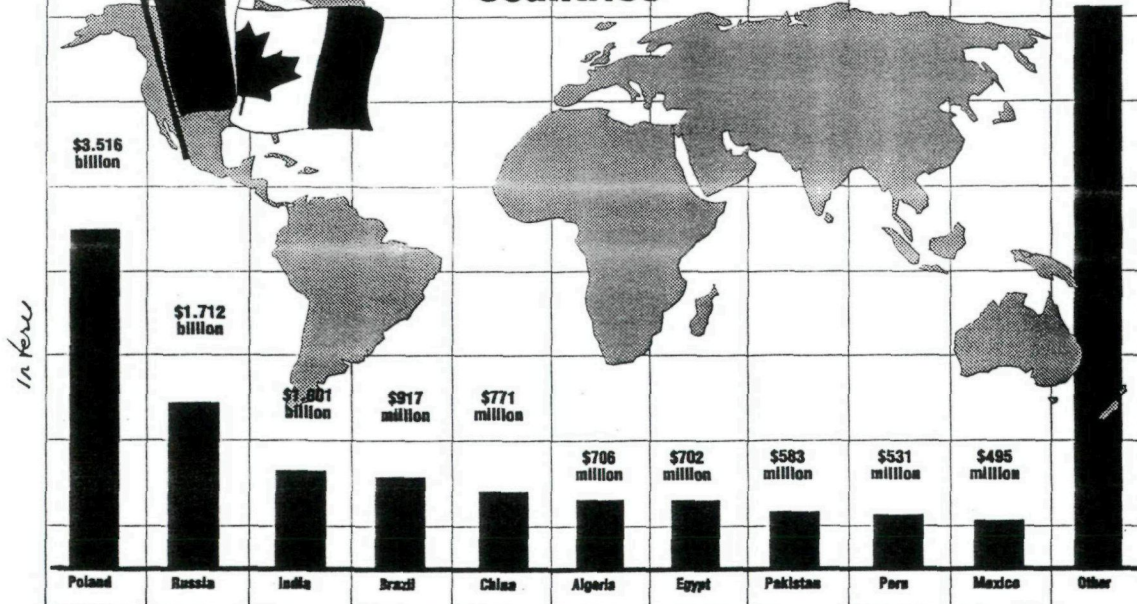
April 15, 1993 - La Universal Impresora de S.A. de C.V. of Mexico purchased flexographic label printing and die cutting press from Aquaflex Systems Inc. of Boucherville, Quebec with the help of \$221,151 (US) financing from EDC.

April 16, 1993 - Ceeco Machinery Manufacturing Ltd. of Concord, Ontario recently concluded a sale of equipment and related services for cable manufacturing to a Chinese buyer. The government extended financing of \$2.1 million (US) through the Bank of China.

April 16, 1993 - The federal government will lend \$17 million (US) to China to finance the sale of telecommunications equipment and related services from Harris Farinon Canada Inc. of Dorval, Quebec. The money will be lent to the Bank of China which in turn lends the money to end users.

April 28, 1993 - The government will be lending up to \$5.9 million to support the purchase of equipment necessary to update water treatment plants in the city of Hangzhou, Zhejiang, China. The equipment will be purchased by the China National Instruments Import and Export Corporation from BCA Industrial Controls Ltd., of Surrey, B.C.

Money owed to the Canadian Wheat Board and the Export Development Corp. by foreign countries



Department of Energy, Mines, and Resources

grants and contributions

When we think of government departments providing financial assistance to various corporations and agencies, there is one department that rarely comes to mind. Nevertheless, the Department of Energy, Mines, and Resources provides hundreds of millions of your tax dollars to companies that are in the business of developing

Canada's natural resources. The following is a list of grants and contributions made by this department in fiscal years 1989-90. Our intention is not to criticize any of these businesses or organizations, but rather to make taxpayers aware of how governments distribute tax dollars.

112507 Ventures Ltd.	1,304	Allied Hydrocarbons Inc.	25,345	Baxter Lake Holding Company	7,509	Can Inst. of Resource Law	75,000
112585 Canada Inc.	21,429	Almadi, Irvine S.	1,524	Bearcat Explorations Ltd.	3,862	Can Inst. of Mining & Metallurgy	10,000
114161 Resources Ltd.	22,282	Alnor Limited Partnership	23,088	Beattie Gold Mines Ltd.	47,988	Canada Northwest Energy Ltd.	49,274
127532 Canada Ltd.	1,193	Alpet International Inc.	5,980	Bedford Petroleum Ltd.	2,732	Canadian Institute of Surveying	15,000
134174 Canada Inc.	27,341	Alston, Jan M.	11,561	Bell, Dr. D.E.	1,458	Canadian Wood Energy Institute	10,000
1989 Int'l Conf on Coal Science	17,140	Alston, Jan M.	48,793	Bellingham, Ramsey S.	2,500	Canadian Remote Sensing Soc.	10,000
272995 Alberta Ltd.	2,218	Altana Exploration Co.	516,563	Beilport Resources Ltd.	28,619	Canadian Committee on Electro-	25,000
273193 Alberta Ltd.	3,271	Altavista Resources Ltd.	2,717	Belshazzar Resources Ltd.	2,990	technologies	15,000
282116 Alberta Inc.	53,007	Alterio Resources Ltd.	20,015	Benchmark-One Hydrocarbons Inc.	140,412	Canadian Wind Energy Assoc.	15,000
285904 Alberta Ltd.	1,950	Alton Resources Ltd.	8,906	Beres, Gary B.	1,229	Canadian Geoscience Council	17,000
287076 Alberta Ltd.	4,363	Aluminum Reduction Company	51,803	Berube, Remi	3,126	Canadian Oxygenated Fuels Assoc	27,300
293036 Alberta Ltd.	2,169	Amerada Minerals Corporation	93,784	Bethlehem Resources Corp.	64,286	Canadian Wind Energy Assoc.	15,000
3-D Petroleum Ltd.	8,260	American Eagle Petroleum Ltd.	330,625	BHP Petroleum (Canada) Inc.	135,032	Canadian Gas Association	50,000
317124 Alberta Ltd.	3,849	American Trading and Production	120,596	Bibler Oil & Gas Exploration Ltd.	62,712	Canadian Electrical Association	375,000
317525 Alberta Ltd.	4,281	Corp.	5,527	Big Valley Energy Corporation	54,498	Canadian Association of Energy	68,000
317905 Alberta Ltd.	18,893	American Leduc Petroleum Ltd.	36,000	Big Lake Resources Ltd.	92,763	Service Companies	373,000
318271 Alberta Ltd.	1,580	American Ore Limited	450,000	Big Lake Resources Ltd.	30,045	Canadian Electrical Association	300,000
319207 Alberta Ltd. (Paid to Thorne Ernst & Whinney)	6,865	American Reserve Mining Corp.	2,500,000	Bill, Crebo	6,898	Canadian Hospital Association	1,000
320648 Alberta Ltd.	1,330	Amoco Can. Petroleum Co. Ltd.	70,260	Biomass Energy Institute Inc.	10,000	Canadian Paleontology Seminar	1,359,000
320648 Alberta Inc.	2,824	Anadarko Petroleum of Can. Ltd.	366,875	Biochemical International Inc.	11,814	Canadian Electrical Association	241,005
321594 Alberta Ltd.	3,849	Anderson Exploration Ltd.	5,803	Bitech Energy Resources Ltd.	360,000	Cdn General Electric Co. Ltd.	286,377
321595 Alberta Ltd.	2,396	Andrews Resource Investments	16,380	Black Cliff Mines Ltd.	71,075	Canadian Oxygenated Fuels Assoc	12,500
329173 Alberta Ltd.	9,413	Anglo Western Petroleum Ltd.	83,346	Black Gold Oil & Gas Ltd.	193,293	Canadian Institute of Surveying	15,000
329286 Alberta Ltd.	13,782	APL Oil & Gas Ltd.	99,523	Black Cat Oil & Gas Ltd.	3,811	Canadian Institute of Mining & Metallurgy	2,292
329324 Alberta Ltd.	9,379	Appraisal Institute of Canada	53,096	Blackacre Resources	6,399	Canadian Natural Resources Ltd.	6,421
331817 Alberta Limited	1,926	Appropriate Energy Systems	6,341	Blackstone Resources Inc.	119,652	Cdn Montana Gas Co.	520,015
335993 Alberta Ltd.	7,451	Aranlee Resources	11,248	Blair, John H.	1,511	Canadian Majestic Resources Ltd.	11,587
343638 Alberta Ltd.	13,502	Arbor Resources Inc.	1,165	Blair Resources Ltd.	3,236	Canadian Occidental Petroleum Ltd.	227,644
348054 B.C. Ltd.	2,001	Argyll Energy Corporation	103,412	Bleile, Edmund Martin	1,922	Canadian Pacer Petroleum Corp.	11,087
349186 Alberta Ltd.	2,188	Argyll Resources Ltd.	199,470	Bleile, Frederick James	1,922	Canadian Pioneer Energy Inc.	17,753
349363 B.C. Ltd.	8,620	Arkoma Production Company	7,311	Blewett Petroleum Ltd.	3,540	Cdn. Pencrown Resources Ltd.	23,880
351833 Alberta Ltd.	3,896	Armistice Resources Ltd.	16,500	Block, Richard E.	4,674	Canadian Jorex Limited	80,971
351956 Alta Ltd.	11,667	Arrandale Resources Ltd.	7,147	Blue Range Energy Corporation	36,847	Canadian Crude Separators Ltd.	43,766
354017 Alberta Ltd.	15,413	Arrowfield Resources Ltd.	4,905	Blue Range Energy Corporation	112,211	Canadian Wolvenline Ltd.	25,179
362781 Alberta Ltd.	3,238	Arsenault, Paul	36,219	Blue Gold Oil & Gas Ltd. Partnership III	7,112	Canadian 88 Energy Corp.	33,457
368501 Alberta Ltd.	10,303	Arthur, Donovan	400,000	Blue Range 1988 Expl. & Dev.	10,420	Canadian Western Natural Gas Co.	12,377
368501 Alberta Ltd.	2,886	Artquest Enterprises Ltd.	412,097	Blue Range 1988 Expl. & Dev.	21,000	Canadian Roxy Petroleum Ltd.	358,456
371106 Alberta Ltd.	1,630	Asbestos Institute	493,306	Blue Heaven Resources Corp.	14,688	Canadian Ceja	7,711
371106 Alberta Ltd.	13,786	Asbestos Institute	750,000	Bluejay Investments Ltd.	68,383	Canadian Cardium Oil Ltd.	8,799
377424 Alberta Ltd.	66,035	Asbestos Institute	3,546	Bobcat Energy Ltd.	6,743	Cdn Resources Opportunities Inc.	52,121
377425 Alberta Ltd.	66,035	Ashmont Development Corp.	44,929	Body, Tom	15,500	Canadian Centre for Arms Control & Disarmament	5,000
377428 Alberta Ltd.	12,493	Asquith Resources Inc.	7,941	Boeing of Canada	2,656	Canadian Geoscience Council	12,000
379463 Alberta Ltd.	26,695	Assiniboine Valley Oilfield	2,901	Sole, John	4,458	Canadian Photovoltaic Ind. Assoc	10,000
388623 Alberta Ltd.	173,824	Assiniboine Development Ltd.	1,071	Boom Investments Ltd.	4,458	Canadian Institute of Mining and Metallurgy	15,000
497395 Ontario Ltd.	1,659	Assiniboine Land Services Ltd.	52,500	Boply Management Ltd.	6,892	Canamax Resources Inc.	651,161
5-H Group Oil Ltd.	5,297	Assoc des Producteurs de Granite du Quebec Inc.	88,407	Bounty Developments Ltd.	107,224	Candela Resources Ltd.	1,071
524926 Ontario Ltd.	2,348	Assoc. Que. Pour la Maitrise de L'Energie	8,750	Bow, Pui	2,670	Candev Investments Ltd.	25,854
531422 Ontario Limited	2,248	Association Du Camionnage Du Quebec	61,557	Bow, Valerio T.	1,068	Candev Developments Limited	86,886
574509 Ontario Inc.	9,973	Assoc. Du Camionnage Du Quebec	51,230	Boy, Peter D.	1,271	Canjay Exploration (1975) Ltd.	55,850
623396 Ontario Ltd.	11,482	Astral Energy Ltd.	3,216	Boyer Resources Limited	3,085	Canoga Resource Management	13,204
695535 Ontario Limited	3,443	AT & S Exploration Ltd.	50,525	Boyer Investments Ltd.	1,070	Canpex Co. Ltd.	111,101
794600 Ontario Inc.	10,144	Atcor Ltd.	9,766	Brabant Holdings	7,104	Canstat Petroleum Corporation	21,655
92386 Canada Ltd.	5,659	Athena Resource Management Ltd.	1,587	Brace Research Institute	7,500	Canterra Energy Ltd.	217,801
93448 Resources Ltd.	22,017	Atkinson, Miles G.	20,028	Bradarrin Resources Ltd.	1,769	Canvend Venture Capital Inc.	17,036
A.M. Patterson Geologist Ltd.	2,989	Atlantic Provinces Trucking Assoc	8,633	Bradley Resources Canada Ltd.	4,264	Canvec World Energy Conf.	75,000
A.M.D. & D Holdings Ltd.	1,519	Atlantic Provinces Trucking Assoc	132,059	Bralorne Resources Limited	54,515	Canyon Energy Ltd.	10,133
A.O. Wellman Investments Ltd.	10,613	Atlantis Resources Ltd.	3,629	Bralas Explorations Inc.	45,801	Caprice Resources Ltd.	80,781
AB Oil Sands Tech & Res. Auth.	600,000	Atomaton Pet. Management Ltd.	5,054	Brandon University	4,000	Capune, Fred	5,344
AB Oil Sands Tech & Res. Auth.	199,274	Audax Gas & Oil Ltd.	27,000	Brannon, A.T.	4,003	Capune, Fred	9,677
AB Oil Sands Tech & Res. Auth.	225,000	Aurogin Resources Ltd.	2,836	Breakwater Resources Ltd.	600,000	Cardale Oil Incorporated	5,952
Able Resources Ltd.	3,735	Aurora-Venus 79-80 Energy	14,505	Brigadier Capital Corporation	8,354	Carleton University	12,200
Aquifund Resources Ltd.	65,716	Avip Resources Inc.	8,760	Brightwest Res. Explorations Inc.	13,077	Carleton University	31,500
Acres International Limited	14,000	Axford Limited Partnership 1985	7,507	Brinkerhoff Drilling Ltd.	2,340	Carlyle Energy Ltd. (Paid to Clarkson Gordon Receiver)	11,033
Adams, David	3,551	Axiom Energy Ltd.	24,756	Brinkerhoff Resources Inc.	51,248	Carlyle 1981 A-1 Limited	1,472
Adaptive Microelectronics Ltd.	12,181	B. Stefani Holdings Ltd.	6,723	Brique Citadelle Ltee	13,887	Carlyle Energy Ltd.	4,078
Adeco Drilling & Engineering Co. Ltd.	8,611	B.C. Gas Inc.	20,000	Brock University	11,500	Carmangay Oil Ltd.	1,781
AFE Engineering Inc.	4,125	B.C. Gas Inc.	102,000	Brocton Resources Inc.	22,500	Carob Resources Inc.	1,040
Agassiz Resources Ltd.	11,667	B.C. Energy Management Task Force	28,165	Brower Exploration Inc.	3,736	Carpenter, Len	3,728
Agassoz Resources Ltd.	127,491	B.F.R. Geophysical Consultants Ltd.	19,136	Brown, Graham S.	7,789	Carrieres Detreko Ltee	25,000
Ahoj Petroleum Inc.	6,167	Backer Petroleum Corp.	3,896	Brown, T.W.	8,387	Carson, R. Bruce	1,024
Aibal Explorations Inc.	25,278	Baker, John Percy	50,000	Brown, Christopher	7,561	Carstairs, J.S.	9,268
Ailsby, Pam	1,458	Ballard Power Systems Inc.	11,093	Bryndon Ventures Inc.	47,722	Cassiar Mining Corporation	193,828
Airtex Industries Ltd.	24,540	Baloil Resources Ltd.	1,147	Buchanan, W.G.	2,921	Cathedral Gold Corporation	113,218
Al-Lyn Holdings Ltd.	4,283	Bamako Investments Ltd.	14,530	Bunney, Lome	1,922	Cattail Resources Ltd.	3,262
Albas Two Development Inc.	132,450	Bandera Oil Company	56,375	Burdett Properties Limited	1,182	Cavalier Energy Limited	703,169
Alberta IV Limited Partnership	21,628	Bankeno Resources Ltd.	1,011	Butler, Alan N.	13,338	Cavalier Capital Corporation	339,894
Alberta III Limited Partnership	6,973	Bannatyne-Cugnet, Jo	1,922	Buttes Resources Canada Ltd.	6,552	Cavendish Resources 1984 and Company Ltd.	24,549
Alberta II Limited Partnership	5,889	Baragar, Noble St. Clair	2,021	C & D Oil & Gas Ltd.	6,729	Cazador Explorations Ltd.	28,500
Alberta V Limited Partnership	11,408	Barber, Mal	31,782	C.A.S. Bulmer	1,220	CBD (Cantech) Ltd.	28,500
Alberta Oil & Gas Limited	4,543	Barcelona Operating Co.	3,350	C.E. Armstrong Investments Inc.	4,003	CCL Limited Partnership-I	147,765
Alberta VII Limited Partnership	1,469	Barker, Ronald	4,094	C.H. Hansen Engineering Ltd.	2,065	Cdn Hospital Assoc Trustee	20,000
Alberta Research Council	5,000	Barnwell of Canada Limited	45,959	C.L. Pearson Royalties Ltd.	1,216	Celgar Pulp Co.	4,480
Alberta Agricultural Research Inst	67,400	Barrington Petroleum Ltd.	9,849	Cab & Crystal	1,500	Celtic Investments Inc.	14,066
Alberta Gas Products Ltd.	2,285	Barrow, F.A.	7,955	Cabre Exploration Ltd.	171,085	Centennial Petroleum Co. Ltd.	24,504
Alberta Gold Exploration Corp.	7,591	Bassett Enterprises Inc.	83,956	Caisse Populaire de l' Maisson de Radio-Canada-Coupe Sol Cdn	24,986	Central Capital Management Inc.	1,342
Alberta Research Council	87,500	Batoma Resources Ltd.	4,458	CAL Petroleum Ltd.	73,472	Ctre for Frontier Engineering Res	75,000
Alcorn, Hugh	3,504	Battle Creek Developments Ltd.	21,077	Calibre Exploration Corp.	6,984	Centre de Recherche Industriel Le Du Quebec	75,000
Aldee Developments Ltd.	1,922	Battle Mountain Gold Co.	300,000	Calisto Oils Ltd.	4,276	Centre for Resource Studies	196,000
Aldon Oils Ltd.	10,801	Baumann, Doug	6,711	Calpine Resources Inc.	134,475	Cepeda Minerals Inc.	18,375
Alex, Donkin	1,412			Calpro Halkirk Limited	32,442		
Alian Kerbel Investments Ltd.	31,275			Cameron Mining Limited	117,000		
Aliaro No. 1 Company	4,265			Campbell, Roderick A.	9,728		
Aliar Resources Ltd.	17,614			Campbell Resources Inc.	144,805		
Allied Northern Resources Ltd.	3,947			Can Nat. Comm. - Int Peat Soc.	3,499		

Chad, S. Robert	5,390	D.R.S. Resource Investments Inc.	12,523	Ergas Resources Ltd.	4,222	Greenstone Gold Conference	1,000
Chad, Jeffrey J.	3,559	D&A Halland Company	8,296	Esprit Resources Ltd.	27,090	Griffon Petroleum Ltd.	10,746
Chair Resources Inc.	344,682	Dalhousie University	40,000	Esprit Resources Ltd.	26,857	Griffon Petroleum Ltd. *	17,869
Chalack, David	2,205	Dalyka Ventures Ltd.	62,798	Eso Resources Canada	68,625	Grosmont Resources Ltd.	174,912
Champion Drilling Ltd.	3,067	Dandy Oils Ltd.	6,761	Eso Resources Cnd	116,296	Groupe de Recherche en Economie de L'Energie	135,000
Chan, Nelson	2,650	Daniels Financial Corporation	30,938	Eso Resources Canada Ltd	360,726	Gruber, James M.	2,910
Chan, Elaine	2,650	Danies Management Services Ltd.	3,819	Euralrep Oil & Gas Ltd.	6,874	Guertin Bros Coating & Sealants	121,702
Chancellor Energy Resources Inc.	41,703	Dartmouth Housing Authority	7,744	Evans, John R.	15,125	Gwen Resources Ltd.	8,528
Chanceux Holdings Inc.	4,891	Dasher Resources Ltd.	11,313	Ewasuk, Dennis	1,139	Gyron Petroleums Ltd.	2,057
Chandler Oils Ltd.	1,162	Davicul Holdings Ltd.	8,199	Excel Energy Inc.	165,185	H.M.S. Enterprises Ltd.	78,965
Charles Fairbank Oil Properties Ltd.	18,199	Davidson, Thomas N.	2,680	Exchange Resources Ltd.	121,574	Hagedorn, Charles	7,561
Chaumont Securities Limited	8,199	Davis, Stephen F.	5,885	Exploration Aumisko Inc.	4,031	Halvar Drilling Fund No.	263,137
Chauvco Resources Ltd.	65,301	Oawson, William T.	2,079	Exploration Aumisko Inc.	10,801	Hamilton Street Railway Co.	112,600
Cherhill Resources Ltd.	18,662	Dazon Resources Ltd.	1,383	F.O.G. Resources Ltd.	6,942	Hamilton Brothers Can. Gas Comp.	236,309
Chernesky Energy Ltd.	3,750	DCC Equities Ltd.	150,654	Fabmar Investments Ltd.	20,511	Handy Oil & Gas Cnd Ltd.	9,054
Chevron Canada Resources	216,291	De Luca, Nick	11,205	Fafard & Freres	70,000	Harbour Petroleum Company	10,912
Chow, Winston W.T.	4,195	Deak Resources Corporation	98,856	Farlinger, William A.	7,200	Hardy Oil & Gas Canada Ltd.	59,193
Christie/Adams Distributors Ltd.	68,354	Decap, George	1,458	Farmers Oil & Gas Inc.	67,050	Harrington Oil & Gas Exploration	75,015
Christina Resources Limited	40,307	Dekaib Energy Canada Ltd.	764,143	Fathers of Confederation Bldgs Trust	112,401	Harris, Donald	8,835
CIL Inc.	378,618	Delbo Inc.	6,312	Felmont Oil Corporation	220,683	Harris Oil Consultants Ltd.	3,213
Cimarron Petroleum Ltd.	72,971	Deminex (Canada) Ltd.	14,679	Fertilisants Mkg Inc.	16,890	Harvard Energy	8,800
CIP Inc.	74,473	Dept of Mining and Mineral Process Engineering	5,000	First Guardian Petroleum Corp.	161,361	Hawksbill Holdings Ltd.	8,126
CIPEC Canadian Textile Institute	105,000	Dept of Fisheries & Oceans	4,000	First Guardian Petroleum Corp.	2,700	Hazelwood Energy Limited	18,701
CIPEC Canadian Textile Institute	195,000	Deschamps, Lo	2,917	Fischbuch Consultants Ltd.	1,408	Headco Exploration Co. Ltd.	31,276
Cirque Oil & Gas Ltd.	11,890	Developments Hydromega Inc.	25,000	Fishery Products International Ltd.	48,645	Healind Resources (1988) Ltd.	18,358
Cirrus Resources Ltd.	3,657	Devnic Energy Inc.	39,901	Fivejay Investments Ltd.	1,203	Health and Welfare Canada	18,724
Citic BC Inc.	10,496	Devran Petroleum Ltd.	18,483	Flowing Well Resources Ltd.	3,653	Heaver, William E.	2,441
City of Medicine Hat	90,285	Dex Resources Ltd.	10,966	Floyd, Henry M.	1,969	Heliotrope Capital	3,318
City of Halifax	8,857	Diamond D. Ranching & Holdings Co.	15,385	Focus Seismic Corp.	1,869	Hemlock Explorations Limited	17,612
City of Regina	5,000	Diamond Hill Mining Corp.	24,000	Forest Oil Corporation	356,460	Herbert, Thora	1,412
Claremont Oil & Gas Ltd.	52,604	Diego Resources Limited	3,085	Forsis Oil and Gas Ltd.	5,849	Herbert, Donovan Thomas	10,946
Claremont Oil & Gas '85	14,176	Dirk & Price Engineering Ltd.	2,093	Fortune Petroleum Ltd.	1,334	Hercules Sales Limited	7,481
Clarinet Resources Ltd.	6,406	Dirk & Price Engineering Ltd.	3,506	Fossil Oil & Gas Limited	47,951	Herman, Chris	1,343
Clark, Richard H.	31,609	Discovery West Corp.	146,622	Four Way Resources 1980	10,006	Hewitt Oil (Alberta) Ltd.	21,706
Clarkson Five Investments Inc.	19,128	Doane Consultants Ltd.	2,376	Fournelle Energie et Technologie	11,930	Hewitt Oil 1985 'B' Ltd.	5,874
Claude Resources Inc.	471,260	Dodami Inc.	15,047	Fram Building Group	69,394	High River Gold Mines Ltd.	221,774
Clearport Petroleum Ltd.	106,239	Doig, David	1,557	Francarep Canada Ltd.	200,671	High River Gold Mines Ltd.	1,007,844
Clearport Petroleum Ltd.	24,533	Dokks Trucking Ltd.	1,882	Frank J. Garnett Investments Ltd.	9,677	Highridge Exploration Ltd.	27,098
Clearview Explorations Ltd.	5,158	Dolly Varden Minerals Inc.	394,276	Freedman, Norman	3,728	Highwest Resources Ltd.	3,614
Cleland Holdings Ltd.	1,525	Dolphin Exploration Ltd.	124,397	Freyberg Energy Ltd.	2,506	Highwood Exploration Inc.	1,347
Cleland, Noel A.	2,201	Dominion Reserves Inc.	42,370	Fritz Reiter	2,289	Hilcrest Resources Ltd.	119,496
Clement, Estelle	3,786	Dominion Pioneer Resources Ltd.	6,000	Frobisher Resources Ltd.	15,016	Hiron, Dr. Peter A.	15,252
Clement, Jacques	3,786	Dominion Explorers Inc.	75,000	Frobisher Petroleum Ltd.	35,796	Hirst, Thomas E.	5,191
CMP 1988 Oil & Gas Devt Ltd.	138,031	Domtar Energy Inc.	14,111	Fuller Land Management Ltd.	7,956	HLX Resources	27,000
CMP 1989 11 Resource Partnership	146,609	Don Mills	1,412	G E Shaw Holdings Ltd.	28,273	Hoffman, Norman	2,327
CMP Funds Management Ltd.	87,900	Don Cooke Land Service Ltd.	2,742	GA-FGC 1986 Limited	30,791	Holowach, Walt P.	6,528
CMP 1989 Resources Partnership	133,118	Donnanne Investments Ltd.	2,403	Gac/Mac Montreal '89	3,500	Home Oil Company Limited	550,129
CMP 1989 Resource Partnership	135,000	Doneva Holdings Ltd.	6,338	Gairdner, James Harland	7,684	Honeywell Ltd.	10,327
CMP 1989 11 Resource Partnership	60,021	Donkin, Angus	8,123	Gairdner, James R.	16,158	Hoover, Gordon G.	6,484
CMP 1989 Resource Partnership and Co. Ltd.	2,210,507	Donkin, Richard	8,123	Gaiswinkler Enterprises Ltd.	15,985	Hordeski, Patricia	2,824
CMP 1989 Resource Partnership & Co Ltd.	886,199	Donovan, John C.	4,862	Gallagher, J.P.	16,054	Horn Petroleum Inc.	1,077
Coachwood Resources Ltd.	21,979	Dorland, R. Kent	3,896	Gallant, John R.	2,508	Home, Edward A.	2,715
Cobblestone Resources Ltd.	3,894	Dorset Exploration Ltd.	1,776	Gallstone Resources Ltd.	4,823	Howard Mackay/Shady Rest	2,102
Cogeneul Inc.	22,200	Dorset Exploration Ltd.	59,137	Gamble, Wayne	2,289	Hriskevich, Michael E.	6,886
Coho Resources Ltd.	515,278	Dorset Energy Corporation	52,990	Gander Petroleum Limited	7,614	Hudson Bay Mining & Smelting	18,841
Coldan Associates Ltd.	1,854	Douglas, Robert H.	5,155	Gannon Bros. Energy Ltd.	4,194	Hughes, Darcy W.	2,221
Colenco Petroleum Ltd.	1,048	Dowbrands Canada Inc.	102,825	Garden Lake Resources	30,000	Hughes, Richard W.	9,178
Coles Door Systems Ltd.	15,735	Drma, Richard J.	3,835	Gardiner Oil and Gas Limited	487,852	Huldra Silver Inc.	67,500
Colin Energy Inc.	93,994	Drum Resources Ltd.	4,597	Gardiner Oil and Gas Limited	31,970	Hulme Energy Alberta Inc.	5,155
Colonial Petroleum Ltd.	2,418	Drummond Oil & Gas Ltd.	20,976	Gardon Developments Ltd.	5,415	Humber College Social Aspects Symposium HQ	11,500
Columbia Gas Devt of Can. Ltd.	960,713	DTS Capital Corporation	9,789	Garfield Resources Ltd.	11,463	Hunt Oil Company	81,249
Comaplex Resources International	32,060	Duhamel Resources Ltd.	15,736	Garuda Resources Ltd.	4,604	Hunter, Darla	2,021
Commercial Safety Survey Ltd.	13,041	Dunbar Oil Ltd.	77,953	Gator Holdings Ltd.	9,094	Huntington Resources Inc.	12,600
Community of Little Bay Islands	14,668	DWB Resources Ltd.	1,984	Gaz Metropolitain Inc	12,758	Husky Oil Operations Ltd.	2,686,984
Community Improvement Corp.	41,519	Dynalita Energy Corp.	342,750	Gaz Metropolitain E & E	40,495	HXC Corporation	3,932
Computalog Gearhart Ltd.	198,664	Dynalita Energy Corp.	17,498	Geddes Resources Limited	982,500	Hydrogen Industry Council	75,767
Concordia University	32,999	Dynamic Oil Limited	2,112	Gee Gee Investments Ltd.	2,912	Hydrogen Industry Council	189,233
Concordia University	39,000	Dynex (1987) Exploration	7,428	General Atlantic Oils Ltd.	117,868	Iagod Quadrennial Symposium, Ottawa 1990	3,500
Consolidated Pipe Lines Co.	15,550	Dziedzic, Peter	2,500	Geo-Chemical Petroleum	7,936	ICG Utilities (BC) Ltd.	7,500
Consolidated HCO Energy Ltd.	82,281	E & B Explorations Ltd.	4,113	Geo-One Limited Partnership	37,131	ICG Utilities (Alberta) Ltd.	73,388
Consolidated Westhrest Devt Corp.	5,070	E - Z Music Promotions Ltd.	1,106	Geodata Ltd.	51,397	IEA Coal Research	68,300
Consolidated - Bathurst Inc.	1,278,329	E.A. James Gas & Oil Ltd.	1,540	Geoinfo IV	5,000	IEA/ETDE	48,438
Constructions Desourdy Inc.	18,267	E.J. Parrent and Associates Inc.	7,147	Geolock Resources Ltd.	64,369	Imorde, Henry K.	2,600
Consumers Co-Operative Refinery	45,412	E.J.M. Resources Ltd.	4,470	Geological Association of Canada	6,000	Imperial Oil Limited	209,046
Continental Pacific Resource Inc.	52,500	Eagle Resources	56,935	Geological Association of Canada	6,000	Indep. Power Producers Soc of Ont.	14,730
Contour Energy Ltd.	39,673	Eastfield Resources Ltd.	128,520	Geomatics Assoc of Canada	30,000	INRS Oceanologie	8,000
Conversion Resources Inc.	105,317	Eastland Oil & Gas Ltd. (Paid To Thome Ernst & Whinney Inc.)	14,322	Geopetrol Resources Ltd.	16,520	Inst de Recherche en Sante et Securite du Travail	18,750
Conwest Exploration Co. Ltd.	42,077	Ebony Gold Corporation	14,381	Geophysics Commission of Paigh	3,500	Institut de Recherche d'Hydro Quebec	37,532
Conwest Petroleum Corporation	33,648	Echo Resources Inc.	4,042	Geotrek Energy Ltd.	12,511	Institut de Recherche d'Hydro Quebec	54,744
Copperquest Inc.	18,000	Ecole Polytechnique Direction de la Recherche	79,000	Gering, Alex	2,824	Institut National de la Recherche Scientifique-Energie	306,111
Corexcan Ltd.	70,334	Ecole Polytechnique	100,000	Gestion Somicom Inc.	6,099	Institute of Man & Resources	82,108
Cormier and Le Blanc 1968 Ltd.	31,219	Ecstail Mining Corp.	24,375	Gibson Petroleum Company Ltd.	2,768	Institute of Man & Resources	31,287
Coronation Mines Ltd.	14,350	Ecumsecum Energy Ltd.	1,829	Gilbertson, Brent	5,344	Institute of Man & Resources	168,713
Corporation Quegran	16,163	Edelweiss Resources Ltd.	1,478	Glen Isle Exploration Ltd.	29,310	Int'l Delta Resources Ltd.	2,939
Coseka Resources Limited	33,651	Edmonton Exchanger & Refinery Services Ltd.	1,019	Glen William Greenhouses Ltd.	17,323	Int'l Focus Res. Inc.	162,931
Coseka Resources Limited	176,520	Edwards, J.W.A.	2,388	Glenex Industries Inc.	11,871	Int'l Interlake Industries Inc.	2,211
Costello, John F.	1,404	Edgen, J.D.	8,882	Glenmore Petroleum Limited	5,028	Int'l Focus Res. Inc.	49,736
Covenant Resources Ltd.	1,163	Eighty-Eight Resources Limited	42,841	Global Resources Limited	7,353	Int'l Exploration Cons. Inc.	42,819
Cowtown Explorations Ltd.	18,724	Elite Resources Inc.	3,330	Gold Sil Resources Ltd.	112,500	Int'l Cherokee Developments	9,000
CP Forest Products Research	85,304	Elworthy, Gordon Barrington	10,101	Gold Par Resources Ltd.	10,500	Intensity Resources Ltd.	5,810
Crevolin, Pierre	3,013	EMB Management Consultants	11,501	Golden Energy Ltd.	13,447	International Reef Resources Ltd.	1,750
Cronkright, Glen E.	3,664	Emir Oils Ltd.	99,035	Golden Arch Resources Limited	26,129	International Oiltekt Ltd.	110,851
Crossley Carpet Mills Limited	13,820	Enca Energy Ltd.	128,958	Golden Dynasty Resources	20,992	Int'l Geological Correlation Prog.	8,500
Crowbar Construction Co. Ltd.	1,926	Enca Energy Ltd.	22,063	Goldex Mine Ltd.	360,001	International Drilling Waste Conf.	5,000
Cube Energy Corp.	98,519	Encon Enterprises Inc.	302,292	Good Ridge Explorations Ltd.	12,813	International Platinum Corp.	128,520
Cube Energy Corp.	69,596	Encor Energy Corporation Inc.	345,983	Goodwell Petroleum Corporation	6,506	International Geological Correlation Program	9,000
Cugnet, Raymond G.	2,021	Enerfund (1988) Oil and Gas Ltd.	174,819	Gornitsky, Rena	3,579	International Seimological Centre	23,413
Cugnet, Wes	2,021	Energy West Limited	186,445	Correll Resources Ltd.	22,313	Interprovincial Pipeline Ltd.	10,076,615
Cugnet, Doug C.	2,021	Energy Watch Systems Ltd.	15,297	Govt of NWT Public Works Dept.	25,000	Inuvialut Petroleum Corporation	30,897
Cugnet, George A.	2,021	Engineering Week 90 Steering Com.	5,000	Grad & Walker Resources Ltd.	313,283	Investor's Group	559,241
Cugnet Petroleum Inc.	2,021	Enpro Resources Ltd.	5,179	Grand Bow Petroleum Limited	3,788	Investors Oil & Gas (1984 Tri-Link)	12,955
Cunningham, Tom	1,412	Enron Oil Canada Ltd.	159,494	Granit Du Nord Inc.	7,284	Investors Oil & Gas (1982 Tri-Link)	6,468
Currie, John	3,819	Epic Resources (B.C.) Ltd.	2,292	Granite Sept-iles Inc.	19,434	Investors Oil & Gas (1986 Tri-Link)	22,373
Cutts, Raymond C.	9,851	Equator Holdings Ltd.	32,829	Gray, E.C.	2,289	Iona Resources West Limited	104,699
Cygnat Development Ltd.	2,109	Eravista Resources Ltd.	65,858	Green Energy Conference	5,000		
Cyrynbaum, Mario	7,561	Erehwon Exploration Ltd.	11,647	Greenslade, Jim	7,647		
D.L. Laven Professional Corp.	1,316						
D.M. Wolcott & Associates Ltd.	5,053						

Iona Resources West	2,580	Lighthouse Resources Inc.	1,611	Multi Exploration Limited	17,631	Ortech International	22,000
Irving Industries Ltd.	2,685	Lindsay Oil Limited	9,353	Murcon Development Ltd.	31,328	Ortynsky Exploration Ltd.	4,166
ISH Energy Ltd.	618,454	Linvest Resources Corporation	1,757	Murphy Oil Company Ltd.	589,005	Oscar Faber Consulting (IEA Client Acct)	50,760
J.A.H. Holdings Ltd.	13,854	Little Woody Resources Inc.	4,474	Mymac Enterprises Ltd.	2,595	Osprey Resources Inc.	46,379
J.B. Ventures Inc.	2,946	LL & E Canada Ltd.	275,550	N.M. Paterson & Sons Limited	14,404	Owico Resources Ltd.	2,240
J.H.B. Resources Ltd.	3,257	LL & E Alberta Inc.	473,511	N.R.G. Explorations	8,185	Oxbow Enterprises Ltd.	23,746
J.R. & S. Holdings Ltd.	99,187	Lockey, Gerald C.	2,266	Nash, Howard	1,324	Pacific Cassiar Limited	44,695
J.W. Resources Inc.	9,107	Lockwood Resources Ltd.	3,098	Nasna Resources Ltd.	207,265	Pacific Fisheries R & D	22,722
Janna Investments Ltd.	2,809	Logan Resources Ltd.	16,667	National Resource Exploration	3,288	Pacific Fisheries R & D	23,349
Japan Canada Oil Sands Ltd.	50,001	Loki Gold	85,580	National Resource Explorations	5,697	Pacific Northern Gas Ltd.	7,500
Jarl Energy Inc.	3,885	Lomaita Petroleum Ltd.	98,008	National Health and Welfare	100,000	Paddon Hughes Development Co.	8,177
Jarrett Resources Ltd.	47,257	Loon Resources Inc.	4,597	National Science Foundation	1,353,323	Page Petroleum Ltd.	19,752
Jarrold Oils Ltd.	2,166	Lotus Resources Ltd.	2,746	Naymark, Steven	1,243	Paladin Resources Inc.	18,703
Jay-Two Resources Ltd.	2,229	Loughead, Eric James	1,436	Nederlandse Energie Ontwikkelings		Pallet, Jean M.	6,892
Jaya Petroleum Ltd.	6,471	Lourob Gas Ltd.	1,930	Maatschappij	30,000	Palmer, James S.	4,578
Jedal Resources Inc.	423,150	LTC Corporation	3,932	Netherland Energy Research Fdn	271,194	Paloma Petroleum Ltd.	270,380
Jedi Exploration & Development	3,719	MacDonald J.R.	1,315	New Cache Petroleum Ltd.	17,412	Palynodata Inc.	9,860
Jenner & Lomond Ltd.	18,096	MacKay, David A.	13,299	Newalta Corporation	10,078	Pan Amer Inst Geog & History	1,000
Jennifer Petroleum Ltd.	10,921	Mackenzie, Brian W.	1,948	Newfields Minerals Inc.	58,232	Pan American Institute of Geography & History	47,447
Jensen, Jim	5,299	MacNeil Industrial Inc.	72,000	Newhawk Gold Mines Ltd.	222,433	Panache Petroleum Ltd.	3,383
Jensen, Elizabeth R.	1,412	Magnificent 7 Corporation	17,027	Newhawk Gold Mines Ltd.	481,711	PanCanadian Petroleum Limited	40,827
Jentan Resources Ltd.	4,240	Magnolia Joint Venture	1,448,017	Newscope Resources Limited	47,401	Pancontinental Oil Ltd.	588,292
Jerry Chambers Exploration Co.	3,509	Magnum Petroleum Corporation	93,245	Newstar Energy Inc.	13,645	Panther Marketing Ltd.	1,559
JM Asbestos Inc.	57,736	Mah, George	5,299	Nexus Resource Corporation	150,000	Paradox Resources Inc.	5,248
John A. Downing Resources	2,848	Maligne Resources Ltd.	310,032	Nfld Light & Power Co. Ltd.	145,097	Paragon Petroleum Ltd.	20,006
Johnson, Alvin Brandt	8,123	Manchester Resources Corp.	41,135	Nfld & Labrador Hydro	39,699	Paris, Alain	7,561
Johnson, Paul Clarence	6,711	Manchester Resources Corp.	60,000	Nfld and Labrador Hydro	9,728	Park, Jerry	8,409
Johnson, Miles	1,412	Manitoba Research Council	43,764	Nfld Exchequer Intergov'tal Affairs	328,607	Parry, Robert	2,037
Johnson, Dr. R.B.	3,837	Manitoba Trucking Association	64,639	Ng, Alex K.P.	4,195	Participation 1987-I Ltd.	25,210
Joint Oceanographic Institute	2,360	Manitoba Dairy Co-operative	24,408	Nim and Company, Limited	94,435	Pass Lake Resources Ltd.	16,075
Jointexco (1988) Ltd.	159,392	Manna Resources Inc.	6,518	Nim Resource 1988 and Co.	70,654	Passburg Petroleum Ltd.	10,158
Jones, Robert	2,021	Mannville Oil & Gas Ltd.	353,238	Nim Management Ltd.	12,057	Paterson, James G.	6,292
Jones, Lionel G.	1,412	Manta Ventures Ltd.	56,884	Nim Resources 1989	172,118	Patterson, William F.	2,348
Jordan Petroleum Ltd.	13,620	Mapleleaf Technologies Limited	28,389	Nim and Company Ltd.	703,709	Pauma Petroleum Ltd.	21,396
Joss Energy Ltd.	49,351	Maraval Resources Ltd.	5,483	Nim and Company Ltd.	1,344,786	Pawliw, R.W.	8,032
Joss Energy Ltd.	142,399	Margate Petroleum Ltd.	13,262	Noble Drilling Corporation	3,011	Peak Petroleum Ltd.	1,834
Joule Resources Inc.	1,731	Marine Technology Institute	6,000	Noble Oil & Gas Ltd.	13,900	Pearl Petroleum Ltd.	1,342
Judo Resources Inc.	78,137	Mark Resources Inc.	16,816	Nor-Am Electrical Limited	126,827	Pedco Energy Ltd.	28,936
Juergens, Dieter H.	1,695	Market Square Dev't Ltd. [Paid To Coopers & Lybrand Receiver]	13,147	Noramex Resources Ltd.	21,843	Pedd Management Oil & Gas Inc.	3,843
Juergens, Erika G.	1,695	Marnell Resources Ltd.	42,302	Noranda Inc.	2,500,000	Peerless Petroleum Ltd.	1,710
JWL Limited Partnership	11,242	Marsh, Louis	6,480	Norant Resources Ltd.	136,228	PEI Energy Corporation	471,287
K. Baumann Resources Ltd.	21,718	Mary's Harbour Hydro Ltd.	32,500	Norcab Limited Partnership	12,449	Pembina Ontario Partnership	52,400
K.M. Harrington	5,355	Masse, Louis	5,565	Norcen Energy Resources Ltd.	152,556	Pembina Resources Ltd.	62,211
Kaneb Energy Canada Ltd.	37,502	Masse, Sherry	2,824	Norco Resources Limited	1,993	Pencor Petroleum Limited	10,398
Kangeld Resources Ltd.	1,134	Matsalta Holdings Limited	2,620	Norpet Resources Limited	49,242	Penn West Petroleum	33,959
Kanrock Resources Ltd.	5,348	Maxoil Corporation	1,675	Norquest Resources Ltd.	1,301	Penn West Petroleum	33,959
Karusel Management Ltd.	1,409	Mayloan Resources Ltd.	24,625	North Castlefield Associates	7,481	Penn West Petroleum	187,780
Kayar Oil & Gas	2,045	McCartney, William S.	7,429	North Canadian Oils Limited	21,555	Pennzoil Petroleum Ltd.	22,107
Keaford Resources Ltd.	1,409	McCashin, James B.	1,852	North Continental Energy Ltd.	5,049	Pensionfund Energy Resources	814,968
Keith B. Jones	1,412	McChip Resources Inc.	10,168	North American Mfg (Canada)	3,370	Pentagon Energy Corp.	1,271
Keles Production Company Ltd.	25,344	McCutcheon, John E.	34,595	North American Life Assurance	63,052	Performance Partnership	102,103
Ken Cugnet	1,011	McGill University	137,000	North, Roy	9,268	Perex Resources Inc.	7,715
Ken A. Lee	4,720	McGill University	50,000	Norhcor Resources Ltd.	26,033	Peter Island Resources Inc.	35,100
Kenesen Resources Ltd.	4,147	McGuire, Daniel	4,003	Northern Finner Petroleum Ltd.	5,461	Petro St-Pierre Inc.	90,008
Kennibar Resources Ltd.	42,362	McLimited Partnership #7	7,664	Northern Canada Power Corp.	27,749	Petro Gaspe (1986) Inc.	32,245
Kerr-McGee Canada Ltd.	651,247	McMaster University	53,500	Northern Fortress Limited	11,556	Petrodyne Limited	38,004
Kerr-McGee Corporation	429,709	McMaster University	10,000	Northern Reef Exploration Ltd.	5,464	Petroking Ltd.	19,696
Kewagama Gold Mines (Quebec)	75,000	McMillan Oils Ltd.	1,038	Northern Development Company	22,892	Petrol Properties Ltd.	10,227
Kilcross Investments Ltd.	4,604	McRae, Elmer	2,868	Northland Bank, in liquidation	29,814	Petroleum Recovery Institute	75,000
Kimberly Resources Ltd.	7,969	Meamside Resources Ltd.	5,308	Northland Oils Ltd.	3,817	Petroleum Capital 1987-	150,841
Kinghaven Resources Limited	29,387	Meja Enterprises Ltd.	3,134	Northland Associates Ltd.	24,175	Petrolia Oil & Gas Ltd.	69,636
Kirk of St. James	21,708	Melaar Resources Ltd.	1,221	Northridge Exploration Ltd.	586,559	Petrolia Oil & Gas Ltd.	483,800
Kitzul, Ernest	1,307	Memorial University of Nfld	68,000	Northrock Resources Ltd.	15,708	Petromet Resources Ltd.	19,647
Kiva Resources Ltd.	2,582	Memorial University of Nfld	5,000	Northside Resources Ltd.	17,426	Petromines Limited	36,938
Knee Hill Energy Canada Ltd.	5,349	Memorial University of Nfld	6,000	Norwich Resources Canada Ltd.	37,644	Petroref (Canada) Ltd.	381,413
Knickerbocker Energy Inc.	10,363	Menex Engineering Ltd.	13,918	Nova Scotia Resources	129,254	Petroventures Resources Ltd.	8,109
Koch Exploration Canada Ltd.	283,941	Merdeka Management Corp. Ltd.	14,212	N. S. Resources (Ventures) Ltd.	8,030,932	Petrovest 1988 Exploration & Development	10,323
Koehilton Holdings Ltd.	4,283	Meridore Resources Ltd.	1,134	Nova Scotia Minister of Finance	64,723	Pielsticker, Charles A.	6,892
Kolwalishun, Dennis	1,106	Metallor Resources Ltd.	1,066	Novalta Resources Ltd.	27,309	Piggybank Resources Ltd.	21,657
Kool Beverages Ltd.	682	Metals and Alloys Co. Ltd.	6,198	Novem BV Credit Lyonnais Bank		Pilot Resources Ltd.	24,133
KPZ Developments Ltd.	2,907	Methane 1989 Limited	3,034	Nederland NV	97,855	Pine Channel Gold Corp.	65,631
Krol, Richard	2,865	Mexicali Holdings Ltd.	2,942	Nederland NV		Pinnacle Resources Ltd.	94,164
Kujat, H.W.	6,302	MGL 1988 Limited	5,260	Novem BV Credit Lyonnais Bank		Pinnacle Resources Ltd.	38,961
Kulich, Marshall	7,647	Michael Resources Limited	12,140	Norwich NV	87,180	Pioneer Metals Corp.	213,372
Kunkel, C.F.	2,388	Michaelis, Marvin	1,330	NPS Resources Ltd.	9,454	Pipestone Petroleum Inc.	1,255
L.C.R. Resources Ltd.	11,667	Michi-Can Resources Ltd.	27,811	Nugas Limited	11,324	Placid Oil Company	91,779
L.J. International Limited	13,759	Middle Petroleum	76,362	Numac Oil & Gas Ltd.	42,802	Plotke, Nes W.	8,409
La Compagnie Miniere Quebec	23,761	Middle Field Resource Fund 1989	135,000	Nuna Resources Ltd.	3,045	Poffenroth, Robert W.	2,981
Lab Chrysolite Inc.	81,000	Middlefield Resource Fund 1989	105,001	Nusha Holdings	7,284	Pointer Exploration Corp	1,459
Lad Minerals Ltd.	60,818	Middlefield Resource Fund 1988	409,621	Nutcracker Holdings Ltd.	13,751	Polaris Petroleum Ltd.	7,203
Ladd Exploration Company	106,449	Midwest Mining Corporation	4,252	NWT Housing Corporation	29,000	Polley, Kenneth R.	3,787
Lai, Desmond Y.S.	4,195	Mika Resources Ltd.	3,983	Oakwood Petroleum Ltd.	268,768	Pollution Probe Foundation	15,000
Lakemead Resources Inc.	10,450	Mills, W. Fred	1,495	Oatway, William A.	1,948	Powerplex Technologies Inc.	1,348,332
Lakewood III Limited	37,665	Mills, Margaret	1,412	Oatway, Philip	7,322	Prairie West Oils	2,021
Lakewood IV Limited	51,709	Mine Aurizon	10,000	OCDE Chez Banque Nationale de Paris	1,331	Prairie Oil Royalties Company	124,100
Lam, Kam Ming	4,195	Mines Sigma Quebec Ltée	28,793	Ocelot Industries Ltd.	43,983	Prairie Dog Resources Ltd.	3,945
Lambda Resources Ltd.	786	Ministry of Energy, Mines & Petroleum Resources	1,022,294	Odishaw, E.A.	1,232	Precambrian Shield Resources	505,118
Landor Ventures Inc.	9,094	Mink Mining Corporation	4,252	OEMV Oil & Gas Ltd.	233,983	Premier Tech Ltée	23,750
Lands Surveyors Assoc of Canada	30,000	Minova Inc.	714,510	OGAS Resources Ltd.	5,645	Premji, Shabir	1,406
Lao, Carton Chi-Cheong	4,195	Miralta Energy Corporation	33,640	Ogilvie, Penny	1,665	Prime Brokerage Consultant Ltd.	66,032
Lario Oil & Gas Company	90,978	Mishibishy Gold Corp.	34,161	OGY Petroleum Ltd.	89,367	Priority Ventures Limited	9,021
Lash Oil Co. Ltd.	3,388	Mission Resources Limited	8,452	Ohio Resources Corporation	25,150	Procan Exploration Company	1,921
Lassie Redlake Goldmines Ltd.	66,130	Mohawk Oil Co. Ltd.	18,209	Oilco Resources Ltd.	9,333	Prolific Resources Limited	21,000
Laurentian University	9,000	Molson Companies Ltd.	328,702	OKH Holdings Ltd.	1,256	Pronto Oilfield Services Ltd.	11,367
Laval University	7,000	Mondor Oil Inc.	2,559	Old Orchard Resources Ltd.	1,945	Propane Gas Association of Canada	50,305
Laval University	7,000	Monte Vista Resources Ltd.	2,695	Oliver Exploration Inc.	1,737	Propane Gas Assoc. of Canada Inc.	65,000
Law Investments	12,138	Moosehead Breweries Ltd.	54,199	Oliver, David W.A.	1,145	Propetro Corp. (Thorne Ernst & Whinney-Receiver)	4,941
Lay, David W.	7,200	Moraga Resources Ltd.	21,036	Omega Hydrocarbons Ltd.	52,978	Prophet Petroleum Ltd.	42,016
Lay, Jeff	3,551	Moreland Oil & Gas Ltd.	33,644	OMV (Canada) Ltd.	173,311	Prospectors & Dev Assoc of Can.	25,000
Layfield Resources Inc.	42,000	Moreland Oil & Gas Ltd.	40,500	Ontario Bus Industries Ltd.	56,718	Prothro, John E.	11,616
Layne, Arthur	1,345	Morgan Hydrocarbons Inc.	966,891	Ontario Geological Survey	5,000	Provincial Consultants Ltd.	4,000
Leddy Exploration Limited	5,879	Morgan Hydrocarbons Inc.	37,876	Ontario Ministry of Natural Resources	626,002	Pulp & Paper Research Institute of Canada	1,077,237
Lengvari, George	2,000	Morrison Petroleum Ltd.	165,089	Opinac Exploration Ltd.	121,293	Pulver, Wayne	7,561
Leong, Leon Yee Jum	4,195	Morrison Petroleum Ltd.	564,630	Optima Energy Corporation	176,395	Purkis, Ernest A.	17,767
Leonidas Savard Inc.	13,501	Mosswood Oil & Gas Ltd.	24,550	Oracle Resources Ltd.	5,800		
Les Tourbieres Premier Ltée	1,330	Mount Allison University	1,000	Orbit Oil & Gas Ltd.	47,331		
Leuschner Int'l Resources Ltd.	5,457	Libby, Walter H.	11,564	Orbit Oil & Gas Ltd.	88,810		
Levy, Alan W.	15,250			Orford Resources Ltd.	29,841		
Lexington Holdings Ltd.	5,415			Orfino Resources Ltd.	147,844		
Libby, Walter H.	11,564			Ortech International	418,016		

Pursuit Resources Inc.	23,472	Schmidt, Kenneth M.	5,780	Tanat Limited	15,286	Una-Bell Holdings Ltd.	2,500
Pursuit Resources Inc.	13,917	Schnitzler, D. Frank	2,021	Tangram Resources Ltd.	215,971	Unicom Agri-Oil Ltd.	3,696
Pygiel, Leo	1,458	Schubauer, Sonya H.	1,103	Tantalus Resources Limited	23,175	Unified Resources Ltd.	2,615
Pyxis Resources Inc.	4,467	Schumacher Porcupine Mines Inc.	2,542	Targa Resource Corporation	11,041	Union Pacific Resources Inc.	259,504
Qit-Fer Et Tilane Inc.	2,779	Scott, Donald C.	7,674	Target Carbons "3" Inc.	2,543	Union Bank of Switzerland	6,372
QPX Minerals Inc.	34,924	Se-Baken	27,345	Target Carbons "5" Inc.	22,065	United Rayore Gas Ltd.	63,097
Que MDA Agreements	67,450	Secretariat Aux Affairs		Target Carbons "4" Inc.	14,771	United Canso Oil & Gas Ltd. [Paid to	
Queen's University	5,000	Intergouvernementales Cdn	3,215,980	Target Carbons "3" Inc.	20,877	Thorne, Ernst & Winney Inc.]	35,667
Queen's University	73,500	SEEDS	40,000	Tarragon Oil & Gas Limited	47,589	United Tri-Star Resources Ltd.	1,566
Queenston Gold Mines Ltd.	82,500	Seguro Resources Ltd.	5,286	Taylor, J. David	4,891	United Keno Hill Mines Ltd.	300,001
Quesada Investments Ltd.	13,805	Seis View Ltd.	4,577	Taywin Resources Limited	127,366	Universal Explorations Ltd.	133,825
Quintana Exploration Canada	175,912	Select Resources Inc.	10,441	Technical University of NS	30,970	Universite Laval	139,000
R.H.E. Resources Ltd.	2,243	Semrau, Elvin	1,922	Techtrol Ltd.	57,600	University of Calgary	175,000
R.L. Parker Trust [Paid to Robert L.		Senex Corporation	7,820	Teck Corporation	437,446	University of Toronto	5,000
Parker]	64,298	Senex Corporation	55,215	Ted Weiner Oil Properties [Gwendolyn		Upland Development Co. Ltd.	1,096
R.L.D. Management Consultants	6,417	Senex 1989 I Exploration Fund	14,174	Weiner Trustee]	24,484	Upper Canada Airways Ltd.	7,481
R.W. Hughes Family Trust [Paid To Paul		Sept Resources Co. Ltd.	4,088	Teepee Petroleum Ltd.	3,635	Upton Resources Inc.	12,739
Beckman]	4,961	Shalica Resources Ltd.	4,283	Teisat Resources Ltd.	1,212	Urban Reg Info Syst Assoc.	5,000
Radio M F Charlevoix Inc.	15,000	Shan Drilling (1982) Ltd.	89,736	Temco Mines Ltd.	50,407	Usherville Resources Ltd.	10,171
Raen Petroleum Corp	1,201	Shapco Explorer 1986-II Ltd.	24,425	Tenajon Resources Corp	241,500	Valleydene Corporation Ltd.	1,503
Raffin, Peter	6,389	Shapco Universal Exploration	2,779	Tervit, Robert	4,063	Valleyview Petroleum Ltd.	12,165
Raider Resources Inc.	22,950	Shapco Global Exploration Ltd.	3,970	Tevere Exploration Ltd.	10,128	Van Anrooy, Hein	1,641
Ramarro Resources Ltd.	52,411	Shapco Tri-Prospect	7,520	Texas - T Investments Ltd.	2,775	Van Es, Rudy	5,233
Ramoen Management Ltd.	1,938	Shapco-Anschutz Exploration	12,502	Thebeau, Merle	4,235	Vanak, Terry	3,026
Rangex Resources Ltd.	4,746	Shapiro, Len	7,327	Thermo Dynamics Ltd.	50,000	Vanguard Energy Corporation	5,440
Raptor Capital Corporation	17,083	Shaw, Dean	12,646	Thomas, Elle N.P. Estate [Paid to		Vaquero Energy Ltd.	7,429
Rashar Investments Inc.	1,101	Shaw, G.F.	2,388	Harris Clay]	1,933	Venditti, Robert	11,205
Rathwell, John H.W.	35,306	Shawnee Oils Ltd.	65,143	Thomson & Howe Energy Systems	5,358	Venpass Limited	3,320
Rayrock Yellowknife Resources.	2,337	Shelter Oil & Gas Ltd.	19,526	Thorkelson, T.W.B.	3,501	Ventures Gained Inc.	4,221
Reach Ventures Inc.	39,530	Shepard, Kenneth A.	1,093	Thorson, Arne E.	5,780	Verdstone Gold Corp.	96,000
Red Rock Resources Ltd.	10,819	Shillington, E.R.	13,854	Thunder Creek Resources Ltd.	1,133	Vero Resources Ltd.	45,706
Red Fox Resources Inc.	13,620	Shiloh Resources Ltd.	5,679	Tigrex Investments Inc.	8,000	Viking Oil & Gas Ltd.	11,234
Red Lake Buffalo Resources Ltd.	26,250	Shooting Star Petroleum Ltd.	3,247	Tigris Minerals Corp	12,495	Village of Mayo	39,750
Redall Resources Ltd.	13,174	Silgailis, Igor V.	1,101	Timmins, Mary Ellen	6,892	Vortex Energy & Minerals Ltd.	1,710
Redeagle Resources Ltd.	3,552	Silreb Investments Limited	15,245	Tiverton Petroleum Ltd.	1,319	Voyager (1988) Partnership	67,524
Redgas Ltd.	10,001	Silverbow Energy Inc.	5,006	Tomm, Wayne	2,403	Voyager (1989) Partnership	302,708
Reece Oil Ltd.	1,880	Silverburg, Sheldon	3,786	Top Flite Resources Ltd.	1,384	W.D.M. Resources Ltd.	2,836
Reed, Walter H.	3,765	Silverstar Resources Ltd.	20,489	Topac Resources Ltd.	8,078	W.F. Brown Exploration Ltd.	85,361
Reeve, Peter	4,578	Simon Fraser University	6,000	Total Petroleum Canada Ltd.	27,251	W.G. Lewitt Holdings	32,742
Regal Goldfields Limited	23,100	Sinclair, Wayne	1,695	Touche, Thomson & Yeoman Expl.	1,567	W.M. Oakley & Associates Ltd.	1,587
Reld, Orin G.	21,769	Singh, Nandini Jagdish	1,693	Tourigny Management Ltd.	10,971	W.W.S. Resources Ltd.	5,369
Reid-Bicknell Land Ltd.	14,439	Sirus Energy Corporation Ltd.	214,200	Tower Resources Ltd.	6,403	Wabasaw Resources Ltd.	1,556
Reliable Wind Engine Co.	7,104	Skinner, Alastair	17,697	Trans Mountain Petroleum Ltd.	8,411	Wabash Oil & Gas Ltd.	7,867
Remington Energy Ltd.	27,950	Skyline Gold Corp.	413,324	Trans World Oil & Gas Ltd.	110,185	Wada Holdings Ltd.	1,193
Renaissance Energy Ltd.	1,127,645	Slate Energy Inc.	14,546	Trans Border Energy Corp	8,815	Wakeham, Donald I.	5,461
Resman Holdings Ltd.	68,653	Slave Minerals Ltd.	157,590	Trax Petroleum Ltd.	9,177	Wankling Resources Ltd.	2,356
Resource Exploration I 1986	22,740	Slurry Cementers Ltd.	4,350	Treaty Resources Ltd.	2,923	Ward, Alan M.	21,141
Resource Recovery Orangeville	41,035	Smith, John W.	11,205	Treaty Resources Ltd.	27,000	Ward, William J.	17,740
Restech Canada Holdings Ltd.	2,764	Smith, Gerry H.	7,561	Trego Oil & Gas Ltd.	28,264	Ward, Carole	7,561
Reunlon 56 Oil & Gas Inc.	17,404	Soc D'Exploration Miniere Mazarin		Trend Resources Corporation	2,742	Warren, Doreen A.	5,879
RF Webb Corporation Limited	5,000	Inc.	133,118	Trent, Vernon F.	14,257	Watts Resources Ltd.	10,528
Rhode Petroleum Ltd.	53,399	Soc. de la Semaine de la Science	5,000	Tri Link Resources Ltd.	106,327	Wawag Resources Inc.	1,290
Rideau Valley Conservation Auth.	42,000	Soc. de la Semaine de la Science	5,000	Trical Resources Inc.	1,758,873	Wealth Resources Ltd.	4,780
Rife Resources Ltd.	20,677	Soc. Miniere Sphink Inc.	44,223	Trigas Exploration Ltd.	626,844	Webb Int'l Minerals Inc.	3,559,232
Rim Resources Ltd.	1,273	Societe d'Exploration Miniere		Trigas Exploration Ltd.	69,433	Weeks, Eric and Miller	50,086
Rimol Corp	19,696	Mazarin Inc.	124,999	Triobite Resources Inc.	8,608	Weening, Phil	3,501
Rimol Corp	304,465	Societe Miniere Mimiska Inc.	35,297	Trilogy Resource Corporation	71,912	Weening, Janet	3,501
Ripple Resources Ltd.	1,879	Sohrab Petroleum (1988)	18,358	Trilogy Resource Corporation	37,551	Weimert, Sophie	9,181
Rise Resources Inc.	12,491	Solar Energy Society of Canada	18,000	Trimble Resources Ltd.	16,960	Wellings, Leonard	1,458
Riva Petroleum Inc.	40,904	Solar Engineering Group Ltd.	12,037	Trimin Resources Inc.	104,958	Wellington Young Resources Inc.	7,200
Rivendell Resources Ltd.	2,798	Solar Energy Research Institute	60,770	Triplet Resources Limited	161,675	Wellore Energy Inc.	173,347
Roan Resources Ltd.	19,974	Sombrero Oil & Gas Ltd.	5,789	Trooper Oil & Gas Ltd.	3,288	Wells Gray Resort & Resources	1,953
Robert Leslie Resources Inc.	2,901	Southern Gold Resources Ltd.	19,476	Trouvez Energy (1988) Ltd.	18,358	Welly Oil & Gas Ltd.	5,128
Robertson, D.S.	11,470	Southmark Acquisitions Canada	18,784	Truax Resources Corporation	152,188	Wesco Oils Ltd.	1,098
Robinson Resources Ltd.	3,977	Southward Energy Ltd.	8,136	Truax Resources Corporation	20,626	West Plain Resources Ltd.	4,393
Robinson, Martin	3,728	Spargo, E. John	6,310	Trucena Investments Ltd.	158,419	Westar Petroleum Ltd.	55,526
Rock Realty & Investments Ltd.	10,582	Spearfish Resources Ltd.	5,598	Truco Resources Ltd.	10,171	Westcoast Petroleum Ltd.	401,406
Roman, Kenneth J.	1,384	Springroad Resources 1981	16,372	Trusler, George A.	19,128	Western Star Energy Corp.	9,077
Romulus Resources Ltd.	10,500	Springryde Resources Ltd.	1,859	Tschannen, F. Edward	1,871	Western Resources Minerals Ltd.	375,375
Rop Resources Inc.	2,153	Spruce Hills Production Co.	56,225	Tucken, Brian	1,458	Western Atlas Canada Ltd.	94,243
Roper Resources Inc.	25,704	Spurgeon Resources Ltd.	2,114	Turnato, Francesco	4,195	Western D'Eldona Resources Ltd.	12,819
Ross, George	1,412	St. Ives Energy Corporation	111,321	Turf Petroleum Ltd.	2,702	Westfield Minerals Limited	145,276
Ross, Lynn	2,824	St. Mary's University	10,000	Turner, William I.M. Jr.	5,405	Westhill Resources Ltd.	2,907
Ross, Norman A.	6,793	St-Hilaire, Jacques	2,256	TWA, Allan Russell	5,405	Westhill Petroleum Ltd.	13,285
Ross, Peggy	1,412	Stackpole Limited	572,568	Twible, Bruce M.	2,289	Westmead Limited	6,432
Rowell, William A.	3,448	Stanford Energy Corporation	174,443	Twin Richfield Oils Ltd.	325,549	Westrook Greenhouses Ltd.	25,000
Rowell, James E.	4,578	Star Oil & Gas Ltd.	531,860	Tygas Resource Corporation	30,467	WGF Holdings Ltd.	8,783
Royal Ontario Museum	6,000	Starchild Energy Systems Ltd.	49,152	Tylox Resource Corporation	49,736	White, Evan	10,113
Royal Bank Capital Corp	52,852	State University Utrecht	2,000	Tylox Resource Corporation	14,367	Widdis, Vonnle	1,882
Royal Trust Energy Resources	221,616	Statens Energivark Sparbankemas Bank	6,938	Tylox Resource Corporation	131,043	Widy Resources Ltd.	1,164
Royal Crest Resources Ltd.	6,232	Steele, Floyd A.	1,458	U of Laval	98,300	Wigham Resources Ltd.	9,410
Royal Society of Canada	11,000	Steen Resources Ltd.	3,700	U du Quebec a Chicoutimi	41,480	Wilar Oil & Gas Ltd.	16,826
RPL Production Company	44,024	Stephenson, Tom L.	2,021	U of Guelph	12,000	Wilcott, Harvey	2,548
RRL Resources Ltd.	4,597	Sterling Energy Ltd.	14,927	U of Manitoba	24,100	Wild Bull Petroleum Ltd.	1,779
RTEC One Resources Inc.	16,510	Stickland, Ken	1,724	U of Calgary	60,500	Wilderness Energy Ltd.	34,607
RTEC Two Resources Inc.	27,794	Stikine Resources Ltd.	1,230,067	U of Ottawa	69,000	William M. Alston Holdings Inc.	2,684
Rubinoff Phillip	3,786	Stonewall Resources Ltd.	4,217	U of Toronto	93,300	William S. Devlin Investments Ltd.	15,125
Ruth, Williams	1,412	Storey Two Resources	3,064	U of New Brunswick	30,000	Wilson, Glen A.	9,038
Ryckman Financial Corporation	19,058	Stradbroke Holdings Ltd.	6,726	U of Saskatchewan	35,500	Wilson, Mary H.	4,593
Ryerson Oil & Gas Ltd.	36,367	Strait Arrow Holdings Ltd.	1,741	U of B.C.	10,000	Wintershall Oil of Canada Ltd.	126,665
Safari International Resources Ltd.	3,338	Stratchona Power Ltd.	4,506	U du Quebec a Trois Rivières	44,500	Winther, Chris	23,940
Safeway Holdings Ltd.	35,849	Strathfield Oil & Gas Ltd.	224,401	U of Sherbrooke	5,000	Wood, Jed	9,268
Safeway Oil Co. Ltd.	24,746	Stream-Flo Resources Ltd.	11,190	U of Alberta	63,450	Woods Petroleum of Canada Ltd.	137,241
Sage Holdings Ltd.	2,582	Strike Energy Inc.	6,427	U of B.C.	8,000	Woody Resources Ltd.	4,882
Sage Group Inc.	5,571	Strolovitch, Ernest	3,728	U of B.C.	81,100	World Energy Conference	200,000
Saint Mary's Residence	1,171	Studer, Fred	9,534	U of Montreal	46,000	Worthington Resources Corp.	22,500
Sam Energy Ltd.	1,953	Stueck Enterprises Ltd.	3,915	U of Windsor	10,500	Wotherspoon, Andrew C.	8,409
Sampson Oil Investment Corp	27,415	Sudeme Investments Corporation	6,634	U of Ottawa	15,000	X-Cal Resources Ltd.	66,000
Sandroc Resources Ltd.	3,477	Summit Resources Limited	1,323,256	U of Waterloo Research Institute	5,000	XVIII International Congress of	
Saskatchewan Research Council	20,000	Suncor Inc.	752,843	U of British Columbia	10,534	Refrigeration Inc.	10,000
Saskatchewan Research Council	10,533	Sunfire Energy Corporation	26,614	U of Waterloo	13,000	Yellow Band Resources Inc.	64,286
Saskatoon 1988 Oil & Gas	121,584	Sutton, Margaret	1,105	U of Ottawa	5,000	Young, Gary	6,711
Saskatoon Leaseholds Limited	5,790	Sutton, Gerald	1,959	U of Western Ontario	30,600	Young, James H.	8,409
Sasko Oil & Gas Limited	3,211	Suvist Holdings Ltd.	1,193	U of Ottawa	30,584	Z Big Resources Ltd.	7,284
Saskoil Resources Inc.	114,431	Symphony Capital Corporation	13,879	U of Laval	2,000	Zimmark Inc.	11,441
Saunders, Roy	2,000	Tabler, William B.	4,249	U of Ottawa	1,000	Zorayda Oil Co. Ltd.	1,162
Saunders, Lorna	2,000	Tad-Mar Resources Ltd.	4,473	U of Toronto	324,505		
Sceptre Resources Ltd.	1,496,117	Tage Resources Inc.	3,145	U of New Brunswick	40,764		
Sceptre Saskatchewan 1980	6,008	Tamarack Lands & Prod. Inc.	32,490	UCCI Exploration Ltd.	4,772		
Scheuenman, T.L.	1,715						

The Canadian attitude

by Jason Ford

Canada is facing perhaps the most serious economic crisis in her history. The country is drowning in debt and its citizens are buried in taxes. Although the damage can be measured in terms of dollars, lost jobs and investment, its true cause is the attitude of individual Canadians, summed up in one word: Entitlement.

Scottish historian Andre Tytler warned about 200 years ago that "a democracy cannot exist as a permanent form of government. It can only exist until a majority of voters discover they can vote themselves largesse out of the public treasury." It seems that Canadians discovered this about 20 years ago, as they began to demand expanded services.

No personal responsibility

We believe everything we want must be provided by someone else. People's whims become their wants, which become their demands and eventually their rights. The politicians, ever eager to please, give their approval and, through the miracle of borrowing, simply pass the cost on to the next generation. Some call it borrowing, but I call it theft.

I use the word theft very explicitly. This debt will steal from the income of our youth to pay for services their parents long ago used up. It's not politicians who have looted my future, it's all Canadians -- Canadians who used up their own piggybanks and decided to break into their children's.

What must be done?

Canadians have grown to believe it's the government's role to provide what they want. In a nutshell, Canadians have lost any sense of personal responsibility. As a result, even businesses no longer want to risk their own money on ventures, preferring to risk tax dollars. And since government has no money of its own, it must take

from one to give to another -- or lay the burden on future generations through debt.

As a result of 20 years of this attitude of entitlement, Canada is in a financial vice that is squeezing the fiscal life out of our governments. In most provinces, interest payments not only take a third of government revenues, but are also the fastest growing expense. With dropping revenues and growing debt, we are on the verge of losing everything we've worked so hard to build.

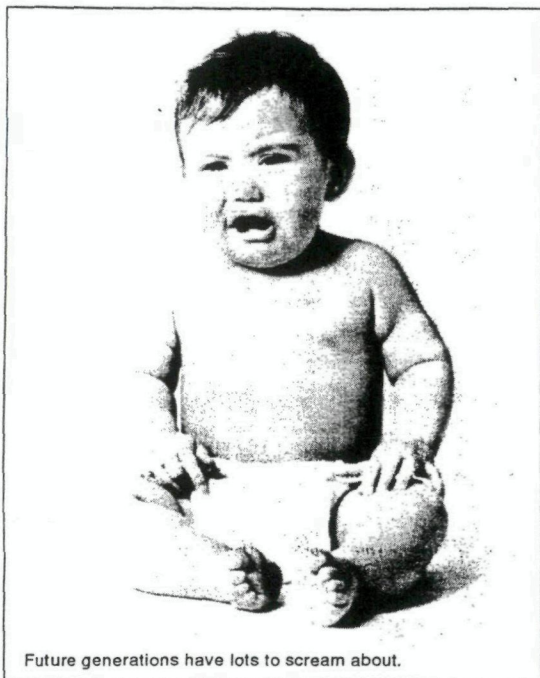
Obviously, we can't afford everything we've asked government to give us, so it's up to Canadians to decide what has to go. If as a nation we decide to keep medicare, welfare and UIC, then we must cut somewhere else.

Of course, the special or self-interest groups will start to squawk. Almost every night the evening news provides examples of what American author P.J. O'Rourke calls the perennially indignant. I call them professional whiners.

Every time governments cut a service, these folks march around with their rhyming couplets and misspelled placards, demanding it be reinstated. Their message is clear. They want you to pay.

This philosophy of entitlement must be discarded like the outmoded garbage that it is. It has ravaged our economy and poisoned our future.

It's really this simple: either the attitude of entitlement dies or Canada's future does.



Future generations have lots to scream about.

Making choices

In 1988, Canadian governments spent about \$5.5 billion on culture and recreation. It was \$5.5 billion they didn't have. Millions are spent on royal commissions that do little more than tell people what they already know. We spend millions subsidizing businesses. The fact is, we're spending money we don't have on things we don't need. The time has come to cut spending.



Jason Ford is President of the Youth Alliance for Debt Freedom.

Why Canada needs a Senate

by Herb Sparrow

Canada needs a Senate or a second legislative body by whatever name it's called, an assembly which has veto power. Without it, there is the very great danger of having no permanent watchdog over an all powerful Prime Minister. With complete control over the House of Commons, he or she can become a virtual dictator.

There are many forms of government in the world, but

there are three common forms: the first being dictatorships, the second being republics and the third being parliamentary democracies.

Dictators, of course, have ultimate power. Republics (such as the U.S.) share the power with a President, a House of Representatives (representing the population) and a Senate (representing the regions of the country). Each of these groups have veto power over any legislating action, meaning that all three must independently approve all legislation.

Parliamentary governments such as Canada's have only two bodies with veto or approval power on legislative changes: The House of Commons (representing the population) and the Senate (representing the regions). The Prime Minister, who usually has a majority of the members in the House of Commons, has virtually absolute power over legislative actions taking place in the House of Commons. The only veto

power on those actions belong to the Senate.

Without the ability to veto the decisions of the House of Commons, the Prime Minister, for all intents and purposes, becomes a dictator. The Prime Minister's Office has control over the R.C.M.P. and the military, and although it's easy to

say that our Prime Minister would never abuse these extraordinary powers, it has happened a number of times in many countries throughout history.

In addition to these very serious issues, we need to consider the protection of the smaller provinces and regions

in Canada from total domination by the two most populous province (Ontario and Quebec). The Senate offers the other regions of Canada a form of legislative veto over legislation. It essentially provides a safeguard to both our democratic system and ultimately, to the people of Canada.



Herb Sparrow is a Senator from North Battleford, Sask.



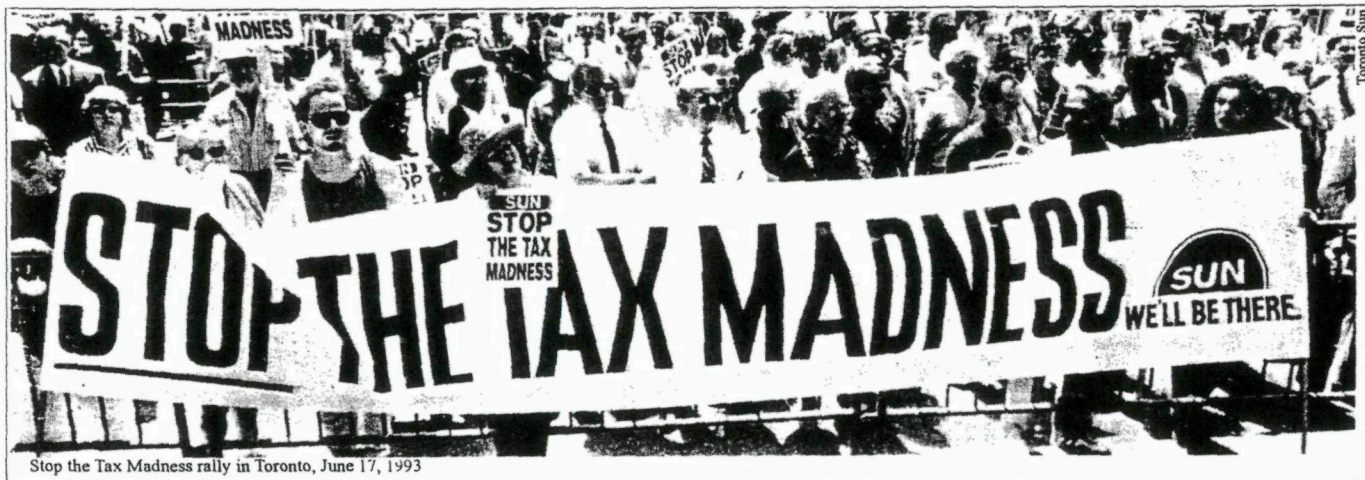
Despite calls for its abolition, an effective Senate is a necessary safeguard for Canada's democracy.

THE TAXPAYER

Promoting the responsible and efficient use of tax dollars

Summer '93

DOUBLE TAX ATTACK



Stop the Tax Madness rally in Toronto, June 17, 1993

by Paul Pagnuelo

No sooner had Ontario's pre-budget consultations come to an end in early March than Finance Minister. Eloy Laughtren let out the startling news that the province's finances were out of control. Calling it a revenue problem, Laughtren warned that unless he took corrective action, Ontario's debt would skyrocket by another \$17 billion in 1993-94.

Ontarians were then told they would have to share the pain in three ways: higher taxes, cuts to program spending, and cuts to the public sector payroll.

By reforming and restructuring ministries and programs and cutting back on transfer payments to municipalities, school boards, universities, colleges and hospitals, Laughtren claims he'll save taxpayers almost \$4 billion in the current fiscal year, thereby reducing the potential deficit by \$2.4 billion. The transfer cuts are a sure bet. But because many of the spending reductions in the government's internal operations are 'soft', whether they really can be achieved won't be known until next year.

The second element of the

Finance Minister's three pronged deficit reduction program is designed to reduce \$2 billion a year from the \$43 billion payroll of the broader public service.

After initial attempts to secure a social contract agreement with Ontario's 900,000 public sector workers ended in failure, Rae's government narrowly passed the Social Contract Act. This Act imposed a three year freeze on wages and unpaid leave on the bloated public sector, if deals weren't negotiated by August 1st.

However, the Act failed to provide the necessary structural reform to permanently reduce the size and cost of government. It gives labour leaders preferential participation in public sector decision making. As well, in certain instances, it provides for paybacks after 1996, which only defers these costs to a future date.

The only certainty in the entire budget is that taxes are going up.

On May 19th, Laughtren closed the gap on the remaining piece of his budget puzzle when he revealed how he was going to increase government revenues by \$2.8 billion, including \$915 million in asset sales.

Taxing dirt?

"They're even taxing dirt" gasped a voice in the budget lock-up as we sat poring over the details of new taxes and fees which will bring \$1.9 billion into government coffers during the 93-94 fiscal year. Most of these increases come through punishing hikes in personal income tax rates and an expansion of the provincial sales tax base.

As if the pain were not severe enough by ratcheting up the personal income tax rate by 3 percentage points (to 58% of basic federal tax), Laughtren hammered taxpayers with a double tax attack by making it retroactive to the beginning of the year.

In response to demands by the public sector unions at the social contract talks that the wealthiest in society should pay the most, the Treasurer introduced a corporate minimum tax (to be phased in starting next year), lowered the surtax threshold from \$53,000 to \$51,000, increased the starting rate from 14% to 20% of Ontario personal income tax over \$5,500, and hiked it a further 10% of Ontario tax over \$8,000.

The provincial sales tax base has been extended to in-

clude insurance policies (with the exception of individual health and life), parking charges, soil, sand, clay and gravel. Beer and wine made at brew your own establishments have also been hit with a tax of 26 cents per litre, increasing to 31 cents next year and 38 cents in 1995.

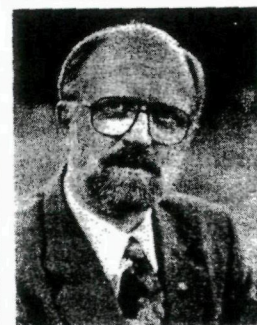
The total impact of all tax increases will be \$1,630 million for the remainder of the 93-94 fiscal year, or just over \$2 billion on a full year basis. A single income family with two children making \$60,000 a year will see its tax burden rise by \$505, whereas a similar family earning \$100,000 will pay three times more, or \$1,570, in tax increases during the year.

Non-tax revenues will also grow by \$239 million through a variety of new and increased fees, licences, fines and royalties.

Despite all the government's efforts to paint an image of being in control of its finances, Ontario's 1993 budget still puts us in the red with a deficit of \$9.2 billion. By 1995-96 Laughtren projects the provincial debt - the result of deficits past - will soar to a new high of \$90 billion, a figure which excludes \$3.7 bil-

lion over the next three years in what the government likes to call 'new capital financing arrangements'. When combined with current contingent liabilities (mainly Ontario Hydro) of \$34.8 billion, Ontario's total public debt stands to hit close to the \$130 billion mark, or 2.4 times total current annual spending. In addition, there are also unfunded liabilities such as the \$11 billion over at the Workers Compensation Board to worry about.

What Rae and Laughtren have skillfully avoided telling us so far is how and when we're going to pay these deferred taxes.



Paul Pagnuelo is Vice-President of the Taxpayers Coalition in Ontario.

Canadian Taxpayers Federation

#105 - 438 Victoria Ave. East

Regina, Sask., S4N 0N7

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Allowances and services for members of the Ontario Legislature

1. Basic salary (sessional indemnity)

\$44,675 per year.

2. Additional indemnities and ministerial salaries

(in addition to basic salary)

- Premier..... \$45,240
- Cabinet Ministers with portfolio..... \$31,749
- Cabinet Ministers w/o portfolio..... \$15,942
- Parliamentary assistants..... \$9,808
- Speaker..... \$24,139
- Deputy Speaker..... \$10,102
- Deputy Chair of the Committee of the Whole House... \$7,017
- Chairs of Standing & Select Committees.... \$9,092
- Chief Government Whip..... \$12,491
- Deputy Government Whip..... \$8,560
- Each of not more than 3 Government Whips.... \$6,175
- Leader of Official Opposition..... \$32,701
- Leader of Party with 12 or more MPPs..... \$23,280
- House Leader of Official Opposition..... \$12,491
- Deputy House Leader of Official Opposition.... \$6,175
- Chief Whip of Official Opposition..... \$9,576

- Each of not more than 2 Official Opposition Whips \$6,175
- Chief Whip of Party with 12 or more MPPs . \$8,618
- Whip of Party with 12 or more MPPs \$5,613
- Government Caucus Chair..... \$8,560
- Official Opposition Caucus Chair..... \$8,560
- Caucus Chair of Party with 12 or more MPPs . \$7,704

3. Expense/Leader's allowances (tax free)

- The Premier..... \$23,415
- Leader of Official Opposition..... \$20,606
- Leader of Party with 12 or more MPPs..... \$17,794
- Other MPPs..... \$14,984

4. Committee allowances

Committee allowances are paid when an MPP attends a committee meeting, or when travelling to or from a committee meeting while the Assembly is not sitting. They are also paid at any time the Member is away from home and the Assembly and is engaged in the work of the committee.

Members eligible for committee allowances may claim \$80 per day (\$93 for committee Chair) plus \$27 per day in Canada, \$38.30 outside Canada for meals, beverages, and gratuities. These allowances are in addition to other salaries, allowances, and the regular tax free expense allowance, and do not have to be supported by receipts.

Claims for expenses higher than this amount can be made if supported by receipts.

5. Insurance

Premiums for medicare, supplementary health and hospital plan, dental plan, accident insurance (maximum benefit \$150,000 for MPPs, \$200,000 for Cabinet Ministers) and basic life insurance (covering one year's salary) are paid for 100% by taxpayers.

Also covered are 60% of the premium for the Vision Care and Hearing Aid plan and 85% of the premium for the sickness and disability plan. Spouses and dependent children are also eligible for supplementary health and hospital, Vision Care and sickness/disability plan benefits.

6. Travel

Virtually all the travel undertaken by MPPs within their constituencies or between their residence and Queen's Park is paid for. Up to 52 return economy flights from the Member's residence to Queen's Park are covered. In addition, northern Members receive \$7,000 per year for flights within their constituencies.

Unlimited bus or train trips can also be claimed between the place of residence and Queen's Park, or within the member's constituency. Those who use their own vehicle for travel receive 29 cents per kilometre as a vehicle allowance (Members for northern constituencies receive 29.5 cents per kilometre).

If travelling on business as an MPP outside their constituency, members may claim the cost of up to 12 round trips by bus, train, or economy flights from their residence or Queen's Park to

any Ontario destination. They may also claim six nights of accommodation and a meal allowance of \$27 per day for up to 12 days per year.

If travelling on business as an MPP within their constituency, members may claim up to \$2,730 per year for meals and accommodations where it is impractical or unsafe to return to their residences.

Opposition leaders may claim unlimited air, train, bus and automobile travel anywhere within the province.

Family members of MPPs are eligible for 12 round trips between the member's residence and Queen's Park by air, bus, or train.

Members who represent constituencies outside the boundaries of Metropolitan Toronto, with the exception of the Speaker (who has a suite in the Legislative Building) are eligible for \$14,654 per year as a housing allowance (Cabinet Ministers and Opposition Party Leaders receive \$15,654). They may claim this allowance for rental accommodations in a hotel, motel, apartment, or house.

Eligible costs include rent, tenant insurance, utilities, furniture rental, cleaning service, and cable. If they own accommodation in Toronto, they may claim the costs of property taxes, insurance, utilities, and long distance.

7. Severance allowances

Members receive a severance allowance of at least six months salary when they retire, are defeated, or resign their seat. If they have been in office more than six years, they receive an additional month for each year of additional service, but may receive no more than twelve months salary as severance.

If the Member dies, the estate re-

ceives the severance allowance.

8. Pensions

Members pay 10% of salaries and indemnities they receive into the MPP pension fund. This is matched by the Assembly, with the provincial Treasury picking up any shortfalls. Full benefits begin on the day the member resigns,

retires, or is defeated, so long as he or she has served at least five years, and when the age of the member added to years of service total 55. A reduced pension can be received by someone who does not meet the requirement for a full pension. (The five years of service can be served entirely in the Ontario Assembly or in a combination of the House of Commons and the Ontario Assembly.)

The pension is based on an average of the highest three years of salary, multiplied by the years of service up to 15 years, multiplied by 5%. The highest pension a former member may receive is 75% of the member's average annual remuneration.

Spouses of former Members who have died while receiving a pension can receive up to 90% of the former Member's pension (60% for themselves + 10% for each dependent child to a maximum of 90%).

equipment and supplies, photography and layout services, advertising, and printing. Office furniture, furnishings, and equipment are supplied by the Department of Supply and Services, and are not taken out of the office operations allowance.

The support staff allowance, constituency office accommodation allowance, and office operations allowance are considered part of a global budget, and funds from one allowance can be transferred to cover expenses in another.



Ontario electors seem to be fed up with the Rae government's massive tax hikes. Stop the Tax Madness Rally in Toronto, June 17, 1993

9. Outplacement counselling

Members who resign, retire, or are defeated may receive up to \$7,000 for job hunting, resume preparation, research and clerical services, counselling on how to start a business, and/or financial planning for their retirement.

10. Legislative and constituency offices

In 1992-93, Members were eligible for a support staff allowance of up to \$140,144. This allowance covers the cost of their staff at Queen's Park or at their constituency. Maximum annual salaries have been set as follows:

- Clerk typists \$29,998
- Special assistants \$38,298
- Legislative assistants .. \$40,477
- Constituency assistants \$43,522
- Executive assistants ... \$46,371

In addition, MPPs are eligible for an allowance of \$15,600/year for renting a constituency office, as well as \$15,766/year for office operations. Office operations cover expenses such as framing, the purchase of publications, staff travel, basic telephone service and equipment, car phones, leasehold improvements, answering services, non-standard furniture, furnishings,

11. Constituency newsletters (householders)

MPPs are allowed to send their constituents three newsletters per year in addition to their normal correspondence. Bulk mail or regular postal rates and printing are paid for by the Office of the Assembly. Members may not print or mail any material of a partisan, political nature if it is paid for by the Office of the Assembly.

12. Others

Three Toronto dailies or two out of town dailies are provided without charge to the member.

Long distance costs, including Zenith and Watts charges, are funded separately from the member's expense allowance.

Translation services and sign language interpreters are offered to members at no charge.

Private French language tutoring is paid for by the Office of the Assembly. The Assembly will also absorb the total cost of a French immersion course in Quebec, including registration, meals, and accommodation.

Taxpayers Demand Tax Referendum

ONTARIO HITS THE TAX WALL

By Paul Pagnuelo

Enough is enough!

The summer of 1993 promises to be a hot one in Ontario in more ways than one.

After taking it in the pocketbook with 32 new or increased taxes and fees totalling some \$4.4 billion in the province's last three bud-

gets, Ontario taxpayers are fighting mad.

For the third year in a row, outraged taxpayers stormed the Legislature at Queen's Park in protest over high taxes and high deficits. But this time, things were different as taxpayers who turned out to the rally did more than just complain.

After being slammed into the tax wall with a \$2.3 billion tax and fee grab in Ontario's 1993 budget - the largest in the province's history - taxpayers are demanding a social contract of their own.

Joining together as a massive united force, the *Toronto* and *Ottawa Sun* newspapers, the Ontario Chamber of Commerce, the Taxpayers Coalition Ontario, the Canadian Federation of Independent Business, Ontarians for Responsible Government, the Taxpayers Alliance, and others have launched a tax referendum campaign.

What they're demanding is the right for taxpayers to hold citizen initiated referendums, including a referendum on whether Ontarians want a Taxpayer Protection Act.

Armed with 55,000 ballots calling for a referendum, more than 2,000 ordinary Ontarians joined the campaign's organizers at a June 17th noon rally on the front lawn of the Legislature where Floyd Laughren, the provincial Treasurer, was presented with the first batch of signatures.

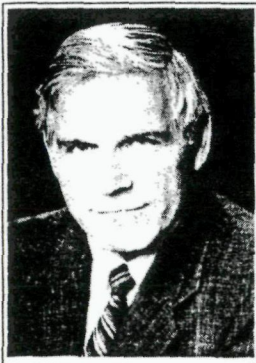
Laughren, who tried to defend his tax increases (which he acknowledged were aggressive), was shouted down by calls for his resignation from the angry crowd.

Later in the Legislature, P.C. Leader Mike Harris tabled a private member's bill requiring a referendum be held if 5 percent of eligible voters petition the province's Chief Electoral Officer following a budget.

Organizers vow to keep the heat on and to continue collecting signatures until the government agrees to a referendum on legislation which

will impose fiscal responsibility and spending accountability.

The fight for direct democracy has just begun in Ontario.



Laughren - more taxes next year?



Is Premier Bob Rae getting the message?

Industry, Science and Technology handouts

The Department of Industry, Science and Technology Canada (ISTC) was formed by a merger between the Ministry of State for Science and Technology and the Department of Regional Industrial Expansion. According to the department's 1990-91 Annual Report, ISTC is led by three ministers: The Minister of Industry, Science and Technology, the Minister for Science, and the Minister of State (Small Business and Tourism).

The department was formed in February 1990 to "promote international competitiveness and excellence in Canadian industry, science, and technology". This mandate involves the department in a number of areas, including tourism, research and development, aboriginal economic programs, regional development, aboriginal economic programs, regional development and the defence, shipbuilding, and aerospace industries.

Out of a total budget of more than one billion dollars, the department hands out 75% of its funding in the form of grants and contributions. These are approved under 110 programs, including the Defence Industry Productivity Program, the Shipbuilding Industry Assistance Program, the Western Transportation Industrial Development Program, the Special Program for the Thetford-Mines Region, the Industrial Recovery for Southwest Mont-

real Program, the Technology Outreach Program/Technology Opportunities in Europe Program, and the Entrepreneurship Awareness Program.

The following are the contributions/grants approved for payment in 1989-90 under just some of the programs the department administers. The amounts which the companies eventually received may vary. This list should not be construed as a criticism of any of these businesses.

007 Enterprises - Whitehorse, Yukon	26,250
11 Mile Trek Ltd. - Coral Harbour, NWT	21,500
144072 Canada Ltd. - Elliot Lake, Ont	49,858
148556 Canada Limited - Little Current, Ont	42,746
311313 Alberta Ltd. - Alberta	2,636
333111 Ontario Ltd. - Brampton, Ont.	285,000
344474 Alberta Ltd. - Calgary, Alta	16,875
353528 Alberta Inc. - Banff, Alta	2,550
411301 Alberta Ltd. - Grimshaw, Alta	33,751
501801 Ontario Ltd. - Fort Frances, Ont	26,961
5200 Investments Ltd. - Penticton, B.C., Repayable	70,000
539552 Ontario Ltd. - Armstrong, Ont	30,050
565970 Ontario Limited - Kitchener, Ont	22,500
566232 Ontario Limited - Oakville, Ont	1,200
617047 Ontario Limited - South River, Ont	62,200
645621 Ontario Inc. - Sault Ste. Marie, Ont	47,400
697060 Ontario - North Bay, Ont	69,930
733465 Ontario Inc. - Thunder Bay, Ont	94,990
741666 Ontario Inc. - Kenora, Ont	22,433
741666 Ontario Inc. - Kenora, Ont	19,101
746406 Ontario Limited - Desbarats, Ont	4,800
799200 Ontario Inc. - Parry Sound, Ont	28,600
799757 Ontario Inc. - Nipigon, Ont	18,810
862346 Ontario Limited - Moonbeam, Ont	9,923
9003 Yukon Ltd. - Whitehorse, Yukon, Repayable	72,800
951914 Ontario Limited - Bramalea, Ont	10,000
A.C.M. Composites Inc. - Drummondville, Que	20,532
A.G. Simpson Co. Limited - Oshawa, Ont	4,250
A.G. Simpson Co. Limited - Scarborough, Ont	4,250
A.G. Simpson Co. Limited - Scarborough, Ont	4,250
A.K. Electromagnetic Inc. - Dollard Des Ormeaux, Que	56,250
A.R. Fromme & Assoc. Ltd. - Whitehorse, Yukon	33,250
ABC Wilderness Adventures Ltd. - Golden, B.C.	16,200
ABC Wilderness Adventures Ltd. - Golden, B.C. Repayable	72,400
Abingdon Travel Agency Limited - Vancouver, B.C.	25,000
Accessible Isolation Holidays - England	1,484
Accutrak Systems Ltd. - Regina, Sask., Repayable	12,500
Ace Canada Inc. - Toronto, Ont	32,500
ACEACQ - Charlevoix, Que	45,000
Acme Decalcomania Limited - Toronto, Ont	10,000
ADI Diagnostics Inc. - Rexdale, Ont	499,780
Advanced Materials Engineering Ctre - Halifax, N.S.	30,000
Advanced Metaltech Mfg. Corp. - Guelph, Ont	259,150
Advanced Systems Inst. Found. - Burnaby, B.C.	1,000,000
Advisory Com., The Ladies' Dress - Toronto, Ont	30,000
AEA Electronic Ltd. - Richmond, Ont	83,017
Aero Machining Ltd. - Montreal Nord, Que	498,804
Aerospace Ind. Assoc. of Canada - Ottawa, Ont	25,000
Aerospatiale Hemmingford Inc. - Hemmingford, Que	226,850
Ahousant Education Authority - Ahousant, B.C.	250,000
Air Alps Ltd. - Squamish, B.C., Repayable	19,280
Aivilik Lodge - Repulse Bay, NWT	98,117
Ajax Precision Mfg. Ltd. - Weston, Ont	85,475
Aklavik HTA - Aklavik, NWT	4,750
Al Picard Cabinets Limited - North Bay, Ont	81,600
Alberta Department of Tourism - Edmonton, Alta	656,357
Alberta Department of Tourism - Edmonton, Alta	32,500
Alberta Department of Tourism - Edmonton, Alta	38,500
Alberta Department of Tourism - Edmonton, Alta	47,000
Alberta Department of Tourism - Milk River, Alta	836,400
Alberta Forestry, Lands & Wildlife - Edmonton, Alta	18,472
Alberta Forestry, Lands & Wildlife - Northern Alta	37,500
Alberta Input Television Frdntr - Edmonton, Alta	5,171
Alberta Municipal Affairs - I.D. #17, Alta	45,973
Alberta Science Centre Society - Calgary, Alta	98,777
Alberta Vocational Centre - Slave Lake, Alta	262,200
Alberta Vocational Ctre - Lesser Slave Lake, Alta	19,500
Alberta Vocational Centre - Lac La Biche, Alta	38,353
Alberta Voc. Centre - Slave Lake, Alta	21,937
Alex Beaulieu - Yellowknife, NWT	8,100

Algoma Byproducts Corp. - Sault Ste. Marie, Ont	4,625
Algoma Roofing & Mfg. Inc. - Elliot Lake, Ont	38,669
Algonquin Industries Int'l Inc. - Huntsville, Ont.	100,000
Algonquin Industries Int'l Inc. - Huntsville, Ont.	6,708
All Tech Tours - Fort Smith, NWT	2,031
Alelix Biopharmaceuticals Inc. - Mississauga, Ont	216,803
Alelix Crop Technologies - Mississauga, Ont	594,099
Allen-Bradley Canada Limited - Cambridge, Ont.	405,687
Allak Tours - Cambridge Bay, NWT	5,816
Allak Tours Ltd. - Cambridge Bay, NWT	25,277
Allied Signal Aerospace Canada - Rexdale, Ont, Provisionally Repayable	5,127,000
Ambeault, Dianne Elizabeth - Desbarats, Ont	13,500
Ameublement El Ran Lee - Pointe-Claire, Que	25,000
Amoco Canada Petroleum Co. Ltd. - Alberta	49,662
Amptech Corporation - Calgary, Alta	24,975
Anderson, Gerald - Prince Albert, Sask	13,450
Andrew Canada Inc. - Whittby, Ont	25,000
Anne Murray Centre - Springhill, N.S.	503,586
Antoine, Frederick Gordon - Merritt, B.C.	18,870
Apallu Oilfield Services Ltd. - Wabasca, Alta	24,763
Apex Metals (Kitchener) Ltd. - Kitchener, Ont	10,000
Aratek International Inc. - North York, Ont	499,166
Archebe Industries Ltd. - Rae-Edzo, NWT	8,269
Arctic Coast Tourist Asso. - Cambridge Bay, NWT	36,855
Arctic Safaris - Yellowknife, NWT	10,771
Arctic Waterways - Coppermine, NWT	2,645
Armand Lalerriere - Astorville, Ont	27,750
Artcraft of Montreal Ltd. - Anjou, Que	25,000
Arvin Special Machinery Ltd. - Chatham, N.B.	21,570
Arvin Special Machinery Ltd. - Chatham, N.B.	498,380
Asso. of Alberta Fly-In-Fishing Lo. - Grande Prairie, Alta	1,707
Asso. of Canadian Mountain Guides - Vancouver, B.C.	36,732
Atlantic Sleep Products Ltd. - Scoudouc, N.B.	1,200
Aulajuq Limited - Chesterfield Inlet, NWT	54,600
Auld Reekie Lodge - Gowganda, Ont	27,566
B & B Scuba Inc. - Winnipeg, Man	4,900
B & G Rentals - Fort McPherson, NWT	5,600
B & I Manufacturing Inc. - Port Coquitlam, B.C.	140,337
B J's Tour House Ltd. - Aberdeen, Sask	70,000
B&E Furniture Mfg. Co. Ltd. - Weston, Ont	1,200
Baker Creek Chalets Ltd. - I.D. 9, Alta	41,973
Bailin Inc. - Montreal, Que	1,200
Ballistech Systems Div. of ATS Aerospace - Saint Hubert, Que	212,825
Banff Rocky Mountain Resort Ltd. - Banff, Alta	93,982
Barbara Switzer - Hecla Island, Man	2,500
Baronet Inc. - Ste-Marie, Beauce, Que	25,000
Bathurst Inlet Lodge Ltd. - Bathurst Inlet, NWT	32,534
Bathurst Inlet Lodge Ltd. - Yellowknife, NWT	11,423
Bavarian Meat Products Limited - North Bay, Ont	250,000
Bay Mills Limited - Midland, Ont	25,000
Bayridge Minaki Ltd. - Minaki, Ont	13,100
B.C. Charter Yacht Centre - Vancouver, B.C.	10,100
Beaulieu of Canada Inc. - Stratford, Ont	1,200
Beck Electric - Concord, Ont	4,250
Beck Electric - Scarborough, Ont	83,750
Bed & Breakfast & Country Inns Asso. - Murray River, PEI	6,262
Bedford Furniture Industries Inc. - North York, Ont	18,750
Bedwell Harbour Resort Ltd. - Bedwell Harbour, B.C. Repayable	500,000
Belanger Comm. Inc. - Ile-A-La-Croise, Sask	54,500
Belbois Lee - Montreal, Que	14,198
Bellevue Pathe (1972) Que - Montreal, Que	245,016
Bellwiner Industries Limited - Belleville, Ont	99,293
Beothic Fish Processors Ltd. - Badger's Quay, Nfld	21,292
Berkline Lee - Anjou, Que	1,200
Bertrand Faure Limited - Mississauga, Ont	10,000
Bertrand Faure Limited - Mississauga, Ont	100,000
Big Lake Masonry - Yellowknife, NWT	140,000

Biomatics Inc. - Montreal, Que	73,305
Bird, Roderick - Southend, Sask	35,500
Black Clawson-Kennedy Ltd. - Owen Sound, Ont, Provisionally Repayable	859,810
Black Water Designs Limited - Foymount, Ont	17,625
Blackleather/Ecosummer - Baffin Region, NWT	19,994
Blackmon, M. Delores & Mike - Jans Bay, Sask	29,275
Blain, Les A. - Salmon Arm, B.C.	35,000
Blouse Metal Products Ltd. - Waterloo, Ont	25,000
Boeing of Canada Ltd. - Downsview, Ont, Provisionally Repayable	51,000,000
Bombardier Inc. - Saint Laurent, Que, Provisionally Repayable	11,537,000
Bombardier Inc. - Saint Laurent, Que, Provisionally Repayable	38,386,950
Bombardier Inc. - Saint Laurent, Que, Provisionally Repayable	5,540,653
Bombardier Inc. Div. Montreuil - Valcourt, Que	212,586
Bonnyville Health Centre - M.D. #87, Alta	3,833
Boutique Tricot Inc. - Montreal, Que	1,200
BowMan Byron - Ahtahkakoop Res., Sask	32,000
Boyson Oilfield Services Ltd. - Grande Prairie, AB	5,713
Bradbury Tamblin & Boorne Ltd. - Richmond Hill, Ont	25,000
Brandt Industries Ltd. - Regina, Sask	25,000
Brewster, Bud - I.D.#9, Alta	13,328
Briar Int'l Business Resources - Cape Dorset, NWT	4,917
Bristol Machine Works Limited - Sudbury, Ont	573,750
Britex Ltd. - Bridgetown, N.S.	3,227
Brown, George - Lytton, B.C.	12,000
Brunet's Holdings Ltd. - Goodsoil, Sask	96,650
Buffalo Bay Resort & Marina - Middlebro, Man	92,500
Bundschuh Fashions Ltd. - Calgary, Alta	12,000
Burgess Power Train & Mfg. Inc. - Val Caron, Ont	225,630
Burgoyne Centre for Entrepreneurship - St. Catharines, Ont	12,000
Burgoyne Centre for Entrepreneurship - St. Catharines, Ont	8,500
C.H. Inns & Suites Inc. - Gimli, Man	550,000
Cadmi Microelectronics Inc. - New Brunswick	567,000
CAE Electronics Ltd. - Ville Saint-Laurent, Que	321,800
CAE Electronics Ltd. - Ville Saint-Laurent, Que	143,200
CAE Electronics Ltd. - Ville Saint-Laurent, Que	200,000
CAE Electronics Ltd. - Ville Saint-Laurent, Que	1,976,000
CAE Electronics Ltd. - Saint-Laurent, Que	2,475,000
Calko (Canada) Inc. - Quebec	150,000
Calko (Canada) Inc. - Quebec	671,750
Camoplast Inc. Div. Lasalle - Richmond, Que	95,242
Campbell, Ben - La Ronge, Sask	43,200
Camperduck Local Fur Council - Duck Bay, Man	8,000
Can-Man Tourism Development Agreement - Winnipeg, Man	30,000
Can-Man Tourism Development Agreement - Falcon Lake, Man	20,000
Canada Forgings Inc. - Welland, Ont, Repayable	586,350
Canada North Expeditions Ltd. - Yellowknife, NWT	11,802
Canada North Outfitting Inc. - Baffin Region, NWT	24,500
Canada-China Trade Council - Toronto, Ont	600,000
Canadian A.S.E. Ltd. - North York, Ont	100,000
Canadian A.S.E. Ltd. - North York, Ont	7,463
Canadian Chamber of Commerce - Ottawa, Ont	25,000
Canadian Chamber of Commerce - Ottawa, Ont	22,000
Canadian Exporters' Association - Ottawa, Ont	50,000
Canadian Foundation for Economic Education - Toronto, Ont	25,000
Canadian General-Tower Limited - Ontario	350,000
Canadian Holidays - Richmond, B.C.	99,750
Canadian Inst. of Biotechnology - Montreal, Que	1,116,000
Canadian Labour Market & Prod. Centre - Ottawa	48,810
Canadian Marconi Co. - Kanata, Ont, Provisionally Repayable	1,750,000

Canadian Marconi Co. - Kanata, Ont. Provisionally Repayable	3,440,000	Dalsa Inc. - Waterloo, Ont. Prov. Repayable	1,601,500	Ferguson Lake Lodge - Rankin Inlet, NWT	3,838
Canadian Meat Council - Calgary, Alta	3,000	Dap Electronique Canada Limitee - Vanier, Que	48,636	Fersten Modes Ltd. - Montreal, Que	1,200
Canadian Pacific Hotels Corp. - Edmonton, Alta	153,000	Dap Electronique Canada Limitee - Vanier, Que	1,410	Festival of Canadian Fashion Inc. - Toronto, Ont	25,000
Canadian Pacific Sea Safaris Ltd. - Vancouver, B.C.	25,000	Darby Manufacturing (Sudbury) Ltd. - Sudbury, Ont	51,971	Festival of Canadian Fashion Inc. - Toronto, Ont	15,850
Canadian Soc. of Asso. Executives - Winnipeg, Man	32,500	Dare Foods Limited - Hamilton, Ont	25,000	FI 55 Ltd. - I.D. #18, Alta	14,980
Can. Territorial Helicopters Inc. - Fort Smith, NWT	70,000	Dartmouth Tourist Commission - Dartmouth, N.S.	17,500	Fisher River Local Fur Council - Koostrong, Man	6,000
Canadian Union College - Toronto, Ont	10,000	David Bromley Engineering Ltd. - Canmore, Alta	8,500	Fleetline Bus Line - Holyrood, Newfoundland	19,125
Canadian Wine Institute - Mississauga, Ont	5,000,000	David Thompson Country Tourist Coun. - Red Deer, Alta	13,335	Fleetwood Metal Industries Limited - Otterville, Ont	95,282
Canadvac Travel Services Ltd. - Caledonia, N.S.	8,750	David Thompson Country Tourist Coun. - Red Deer, Alta	1,310	Fleetwood Metal Industries Limited - Otterville, Ont	7,388
Canoe Arctic Incorporated - Fort Smith, NWT	1,240	Dayco Products Canada Inc. - Weston, Ont	9,429	Fleetwood Metal Industries Limited - Tilbury, Ont	8,875
Cantrav West Services - Vancouver, B.C.	31,250	De-In Industries Ltd. - Debolt, Alta	50,902	Flexi-Coil Ltd. - Saskatoon, Sask	25,000
Capa Software Publishing Corp. - Saskatoon, Sask	97,755	Decoma Intl. Inc. - Concord, Ont. Repayable	6,817,518	Fin Flon/Cranberry Portage LFC -	
Cape Broyle Inn Limited - Cape Broyle, Nfld	7,775	Decor-Rest Furniture Ltd. - Weston, Ont	1,200	Cranberry Portage, Man	7,500
Capiton Corporation - Sioux Lookout, Ont	36,420	Dellcom Industries Inc. - Woodbridge, Ont	145,097	Floyd Rude Hauling Ltd. - La Glace, Alta	10,292
Cardium Service & Supply Ltd. - Edmonton, Alta	15,000	Dept. of Animal Science (U of A) - Edmonton, Alta	3,725	Focal Technologies Inc. - Dartmouth, N.S.	247,255
Carmacks Development Corp. - Carmacks, Yukon	48,000	Dept. Industry, Science, Technology CDA - St. John's, Nfld	8,500	Fondation Jacques Gagnon Inc. - Quebec, Que	25,000
Carman Retail Merchants Association - Carman, Man	5,000	Dept. of Culture, Recreation & Youth -		Fondation Jacques Gagnon Inc. - Quebec, Que	5,000
Caroline - Meadow Lake, Sask	16,080	Pistole Bay, Nfld	120,000	Forintek Canada Corp. - Ottawa, Ont	36,897
Carriere Industrial Supply Ltd. - Lively, Ont	127,500	Deschambault Forestry Ltd. - Deschambault Village, Sask	96,000	Fort McKay General Stores Ltd. - I.D. #18, Alta	7,657
Cartan Tours, Inc. - Illinois, USA	8,982	Desourdy-Biochemica-Consulgar - St.-Hubert, Que	30,000	Fort McKay Trucking Ltd. - I.D. #18, Alta	24,886
Cascade Publishing Ltd. - Fort Smith, NWT	10,500	Detah Bus Services Ltd. - Yellowknife, NWT	7,420	Fort McMurray Reg. Venture Init. Council -	
Casimir, Allan Leonard - Kamloops, B.C.	26,850	Dew Engineering & Develop. Ltd. - Ottawa, Ont	206,600	Fort McMurray, Alta	4,500
Cavalier Enterprises Ltd. - Calgary, Alta	153,000	Diamond Canapower Div. Babcock & Wilcox - Burlington, Ont	16,350	Fort Simpson Village Council - Fort Simpson, NWT	6,300
Cavendish Promotions - Cavendish, PEI	150,000	Dick, Arthur M. Jr. - Alert Bay, B.C.	26,000	Fort Simpson Village Council - Fort Simpson, NWT	56,007
Cayuga Aerospace International - Cayuga, Ont	312,500	Dick, Simon - Simoom Sound, B.C.	30,000	Fort Vermilion-High Level Gen. & Aux. Hosp. -	
CCi Technologies Inc. - Willowdale, Ont	494,600	Digital Dynamics Limited - Stratford, Ont	197,500	High Level, Alta	1,407
Cdn. Asso. Women Executives & Entrepreneurs - Toronto, Ont	25,000	Dika Industries Ltd. - M.D. 136, Alta	57,323	Fortress Mountain Skiing Inc. - I.D. #5, Calgary, Alta	4,375
Cdn. Asso. For Home-Based Business - Ottawa, Ont	23,160	Dionne Concrete Products - Earlton, Ont	33,737	Fortress Mountain Skiing Inc. - I.D. #5, Calgary, Alta	26,250
Cenrac Industries Limited - Toronto, Ont	18,000	DJ's Snack-And-A-Hall Ltd. - Missinipe, Sask	59,500	Fortress Mountain Skiing Inc. - I.D. #5, Calgary, Alta	36,750
Central Interior Shuswap Co-Op. - Kamloops, B.C.	38,000	Dominion Controls Company - Stratford, Ont	100,000	Foures Gas & Repair Service - Wabowden, Man	37,900
Centre D'Entrepreneuriat Du Coeur Du Que -		Dominion Controls Company - Stratford, Ont	10,000	Fox Creek Chamber of Commerce - I.D. 16, Alta	38,914
Trois Rivières, Que	42,000	Donald Cardinal - Hay River, NWT	7,143	Fox Creek Further Education Coun. - Fox Creek, Alta	2,113
Cen. Des Techno. Textiles (Que.) Inc. - Quebec	3,540,000	Donlee Precision Div. General Donlee Ltd. - Toronto, Ont	7,143	Frank & Cathy Pope - Norman Wells, NWT	4,504
Cen. For New Venture Development - Calgary, AB	10,000	Provisionally Repayable	182,730	Frank's Household Maintenance Services - Yellowknife, NWT	26,892
Ceramics Kingston Incorporated - Richmond Township, Ont	500,000	Douglas C. Wright - Britt, Ont	17,500	Franklin Enterprises Limited - Winnipeg, Man	293,820
Certified Brakes Div. of Allied Signal - Mississauga, Ont	10,000	Dowty Canada Limited - Ajax, Ont. Provisionally Repayable	1,107,000	Friends of the Athabasca Oil Sands - I.D. #18, Alta	109,213
Chaisson Cabinets & Carp. Ltd. - Elliot Lake, Ont	36,750	Douglas Twiss - Beaver Creek, Yukon	3,840	Frontiers North Inc. - Churchill, Man	2,500
Champagne Aishihik Indian Band - Whitehorse	25,600	Dowty Canada Limited - Ajax, Ont. Provisionally Repayable	4,525,000	Furnco Products Manufacturing Inc. - Midland, Ont	1,200
Charles Haogak - Sachs Harbour, NWT	9,630	Doyle, Steve - St. Joseph, Ont	35,945	Future Grafic Inc. - Sudbury, Ont	25,350
Charles, Robert C. - Stanley Mission, Sask	30,500	Drago and Anna Kokanov - Halfway Lake, Yukon	12,000	Futuretek Manufacturing Inc. - Mississauga, Ont	205,000
Charlie Kudlaurok Taxi Service - Sanikiluaq, NWT	5,936	DSH Door Systems Hardware - Concord, Ont	18,750	Fyremaster Equipment Sales & Service Ltd. -	
Chartier, Lorie - Buffalo Narrows, Sask	26,000	Du Lac Auto Sales - Ste. Rose Du Lac, Man	138,125	Yellowknife, NWT	6,390
Chelalis Enterprises Inc. - Agassiz, B.C.	120,000	Durand-Rauis Ltd. - New Westminster, B.C.	25,000	G. & E. Maunder Enterprises Ltd. - Conklin, Alta	27,678
Chemac Industries Inc. - Kelowna, B.C.	425,000	Durocher, Tony - Ile-A-La-Croise, Sask	30,000	Gagne, Gerald A. - Rutherford, Ont	39,960
Cherniak Gibson and Company - Toronto, Ont	91,940	Dutailier Inc. - St. Pie, Que.	1,200	Gamet Corporation - Yellowknife, NWT	6,312
Chickens, Maxwell - Campbell River, B.C.	30,000	Dymond Clay Products Ltd. - Haileybury, Ont	750,000	Garant Div. De Hanson Kidde Canada Inc. -	
Chinook Country Tourist Assoc. - Lethbridge, Alta	9,857	Eagletronic Industries Inc. - Downsview, Ont	320,000	Saint-Francois-De-La-Riviere-Du-Sud, Que	
Christina Felix - Tuktoyaktuk, NWT	16,486	Earlton Creamery Limited - Earlton, Ont	13,680	Garden Hill Local Fur Council - Garden Hill, Man	24,000
Chromalox Inc. - Rexdale, Ont	229,874	Eco. Dev. & Tourism GNWT/TIA-NWT - Yellowknife, NWT	69,300	Garden of the Gulf Court & Motel Inc. -	
Chromalox Inc. - Rexdale, Ont	25,000	Ecole Des Hautes Etudes Commerciales - Montreal, Que	3,500	Summerside, PEI	15,156
Cine Groupe J.P. Inc. - Montreal, Que	149,532	Ecology North - Yellowknife, NWT	7,069	Gaylord Forest Products Limited - Tweed, Ont	118,344
Circa Telecommunications Inc. - Calgary, Alta	19,125	Ecosummer Canada Expeditions (1985) Ltd. - Vancouver, B.C.	15,150	General Wire & Cable Co. Div. Cooper Ind. -	
Circuit Graphics Ltd. - Burnaby, B.C.	19,800	Edmonton Convention & Tourism Authority - Edmonton, Alta	57,000	Cobourg, Ont	13,875
City of Lethbridge - Lethbridge, Alta	15,000	Edmonton Northlands - Edmonton, Alta	3,308	Gennum Corporation - Burlington, Ont. Provisionally Repayable	1,929,500
City of Saskatoon - Saskatoon, Sask	50,000	Edward Kemp - Berens River, Man	50,300	Genlec Inc. - Sainte-Foy, Que	1,270,637
City of Whitehorse - Whitehorse, Yukon	16,920	Eg & G Canada Ltd. - Vaudreuil, Que	1,550,000	Gillam Local Fur Council - Gillam, Man	12,750
City of Yellowknife - Yellowknife, NWT	26,936	Eicon Technology Corporation - Lachine, Que	300,000	Giles A Lacombe - Ramona, Ont	22,800
Cleveland Range Ltd. - Downsview, Ont	24,450	Elan Corporation - Chatham, Ont	2,500	Giles Begin Lumber Lse. - Clair, N.B.	11,250
CME Telemetrix Inc. - Waterloo, Ont	99,900	Elan Corporation - Chatham, Ont	5,000	Grard, Leon - Moonbeam, Ont	23,600
Coastal Towing Co. Ltd. - Vancouver, Repayable	98,660	Elbertsen Industries Ltd. - Kingston, Ont	12,150	Gjoa Haven HTA - Gjoa Haven, NWT	29,308
Coghlan, Brian J. - Kirkland Lake, Ont	12,000	Electrohome Ltd. - Kitchener, Ont	2,034,000	Gjoa Haven HTA - Gjoa Haven, NWT	4,668
College Tool and Die Ltd. - Mississauga, Ont	304,500	Electrohome Ltd. - St. Catharines, Ont. Repayable	285,775	Glas-Aire Industries Ltd. - Langley, B.C.	6,100
Collocraft Signs & Screenprinting Ltd. - North Battleford, Sask	47,465	Electrohome Ltd. - Niagara-On-The-Lake, Ont	151,550	Glen J. Polsky & Jeannette A. Polsky - Verner, Ont	10,600
Com Dev Limited - Cambridge, Ont.	231,250	Elijah Allen - Inuvik, NWT	4,313	Glen Roberts Arts & Crafts Village - Trout Creek, Ont	33,660
Coming Event Fashions Ltd. - Montreal, Que	25,000	Elite Carpet Manufacturing Ltd. - Waterloo, Ont	25,000	Glenayre Electronics Ltd. - Vancouver, B.C.	
Compar Connectors Div. DGW Electronics - Markham, Ont. Provisionally Repayable	961,200	Elmira Stove & Fireplace Inc. - Waterloo, Ont	13,500	Repayable	1,323,161
Compar Connectors Div. DGW Electronics - Markham, Ont. Provisionally Repayable	358,100	Emcon Emanation Control Ltd. - Nepean, Ont	124,519	Gods Lake Narrows Fishermen's Asso. - Gods Lake Narrows, Man	6,000
Comptec International Ltd. - Surrey, B.C.	25,000	Emcor Inc. - Clinton, Ont	7,575	Gold Rush Inn Ltd. - Whitehorse, Yukon/Repayable	48,000
Computing Devices Canada Ltd. - Nepean, Ont	4,502,105	Energy Management Systems - Mississauga, Ont	223,576	Goodman's Landing Fisheries Inc. - Jackhead, Man	5,250
Computing Devices Canada Ltd. - Nepean, Ont	600,000	Equipment Electroline Inc. - Montreal, Que	17,700	Government of Yukon - Whitehorse, Yukon	6,480
Confection Drole Inc. - Lac-Drolet, Que	25,000	Equipment Electroline Inc. - Montreal, Que	124,690	Government of Yukon - Whitehorse, Yukon	80,000
Confection Vettec Inc. - Daveluyville, Que	15,600	Equipment Electroline Inc. - Montreal, Que	20,250	Government of Yukon - Whitehorse, Yukon	24,000
Conference Board of Canada, The - Ottawa, Ont	199,750	Eskasoni Economic Development Corp. -		Grace Knitting (1982) Ltd. - Montreal, Que	1,400
Conseil De L'Ind. De L'Hydrogene - Montreal, Que	750,000	Louisbourg, N.S.	83,524	Grand Rapids Fishermen's Co-Op - Grand Rapids, Man	12,000
Corseil Int'l De La Petite Entree - Quebec, Que	31,000	Espersen, Steen Kaas - Dryden, Ont	11,000	Grande Prairie Regional College - Grande Prairie, Alta	12,622
Conservation Energy Sys. Inc. - Saskatoon, Sask	19,875	Excel Metalcraft Ltd. - Aurora, Ont	10,000	Granico Inc. - Saint-Augustin-De-Desmaures, Que	25,000
Control Data Canada, Ltd. - Nepean, Ont. Provisionally Repayable	5,537,500	Excentroltech Precision Inc. - Downsview, Ont	273,500	Great Bear Lake Excursions - Fort Franklin, NWT	12,377
Coordinate Tool Ltd. - Mississauga, Ont	145,000	Exeltor Inc. - Bedford, Que	173,250	Great Bear Lake Lodge Ltd. - Yellowknife, NWT	13,649
Copper Cliff Mechanical & Steel Fabrication - Copper Cliff, Ont	146,400	Exeltor Inc. - Bedford, Que	70,750	Great Bear Lodge - Inuvik, NWT	24,500
Coral Harbour HTA - Coral Harbour, NWT	8,000	F & P T & F Entrepreneurs - Britt, Ont	19,600	Great Bear Trophy Lodge - Coppermine, NWT	11,627
Cormorant Local Fur Council - Cormorant, Man	10,500	F.R. Webster & Co. Ltd. - I.D. #9, Alta	337,941	Great Escape Vacations Ltd. - Alberta	11,437
Corp. Centre De Dev. En Pates Et Papier - Trois-Rivières, Que	60,000	Fabrex Inc. - Trois-Rivières, Que	24,700	Great Resorts & Inns of Nova Scotia - Waverley, NS	17,500
Corp. De Dev. Econ. & Comm. Du Ctr. Sud - Montreal, Que	10,000	Faculty of Cont. Education (U of C) - Calgary, Alta	196,912	Great Slave Lake Lodge Ltd. - Yellowknife, NWT	8,915
Corporation D'Entretien Predictif - Montreal, Que	85,792	Faculty of Management (U of C) - Calgary, Alta	158,400	Green Gables Inn (Canmore) Ltd. - Canmore, Alta	117,226
Corp. D'Usage Metro - Ville Saint Michel, Que	489,000	Faculty of Management (U of C) - Calgary, Alta	712	Grid Developments Ltd. - Brooks, Alta	105,672
Council of Forest Ind. of B.C. - Vancouver, B.C.	2,740,000	Fairview Chamber of Commerce - Fairview, Alta	19,633	Groupe DMR Inc. - Quebec	1,293,625
Crestline Coach Limited - Saskatoon, Sask	22,500	Fairview College - Meander River, Alta	28,105	GSR Technologies Ltd. - Edmonton, Alta	499,768
Crocker, Connie - Chemainus, B.C.	21,750	Fairview College - Northern Alberta	24,228	GSW Inc. - Nobel, Ont	192,250
Crystar Research Inc. - Victoria, B.C.	197,850	Falher Regional Tourism & Trade Society - Smoky River #130, Alta	3,930	GTR Victoria Visitor & Convention Bureau -	
Crystar Research Inc. - Victoria, B.C. Repayable	230,000	Farwest Adventure Ltd. - Vancouver, B.C.	23,825	Victoria, B.C.	98,125
Cutsey Business Systems Ltd. - North Bay, Ont	136,705	Fastforms Inc. - Guelph, Ont	25,000	Guidline Instruments Ltd. - Smith Falls, Ont	76,135
Cyclone Manufacturing Inc. - Mississauga, Ont	203,000	Fell-Fab Products Limited - Hamilton, Ont	97,500	Gunn, Brian M. - Jemond, B.C. Repayable	82,848
D & M Building Components - Rainy River, Ont	19,500	Ferguson Lake Lodge - Rankin Inlet, NWT	5,600	Guy Brent Gibson - South River, Ont	39,625
Daco Contracting Ltd. - Fort Qu'Appelle, Sask	135,500			Guy's Photo Centre - Cochrane, Ont	35,022
Dalsa Inc. - Waterloo, Ont. Prov. Repayable	1,258,500			GWA-YEE Hydro Auth. Trust - Kingcome Inlet, B.C.	95,000

Hansen of Pangnirtung - Pangnirtung, NWT	22,211	La Crete Sawmills Ltd. - La Crete, Alta	152,857	Milton Manufacturing Inc. - Richmond, B.C.	5,000
Hansen, Albert - Pinehouse, Sask	39,500	Lacelle Renovations Centre - Hearst, Ont	31,090	Min. of Reg Dev.-Tourism Branch - Victoria, B.C.	32,500
Harford Productions of Canada Limited - Winnipeg, Man	11,768	Lady Ann Furs - Halleybury, Ont	46,370	Min. of Reg Dev.-Tourism Branch - Victoria, B.C.	20,000
Harold Frost - Old Crow, Yukon	7,000	Lady Sandra of Canada Ltd. - Montreal, Que	1,200	Min. of Reg Dev.-Tourism Branch - Victoria, B.C.	125,000
Hat Travel Ltd. - Medicine Hat, Alta	16,502	Lambert, Dennis - Fort Frances, Ont	10,711	Min. of Tourism & Prov. Secretary - Victoria, B.C.	2,199
Havik Technologies Inc. - Cambridge, Ont		Land of the Mighty Peace Tourist Assoc., Alberta	18,468	Min. of Tourism & Prov. Secretary - Victoria, B.C.	19,500
Repayable	235,000	Langdon Hall Ltd. - Blair, Ont	80,865	Min. of Tourism & Prov. Secretary - Victoria, B.C.	57,500
Hematite Mfg. Div. of Pacavo Plastics Inc. - Guelph, Ont	51,157	Lalvee, Richard Allan - Plopot Reserve, Sask	30,000	Min. of Tourism & Prov. Secretary - Victoria, B.C.	15,000
Henry Elvis - Ochapowace Reserve, Sask	31,550	Lawrence Breadsped & Novelty Co. Ltd. - Montreal, Que	1,200	Minto Resorts Ltd. - Whitehorse, Yukon	18,810
Heroux Inc. - Longueuil, Que	25,000	Lawrence Sinclair - Berens River, Man	50,300	Mintronics Systems Corporation - North Bay, Ont	315,900
Hickie Borman Holidays - Vancouver, B.C.	22,250	Leisure Services Inc. - Kensington, PEI	12,250	Mirofin Industries Inc. - North Bay, Ont	2,500,000
High Arctic Sportfishing Camps Ltd. - Cambridge Bay, NWT	7,624	Les Consultants Genicom Inc. - Montreal, Que	302,500	Miroy Distribution - Hearst, Ont	26,000
High Level Entrepreneurial Soc. - High Level, Alta	23,992	Les Consultants Genicom Inc. - Montreal, Que	65,000	Mitec - Ottawa, Ont	915,000
High Prairie Regional Health Complex - High Prairie, Alta	5,076	Les Consultants Genicom Inc. - Montreal, Que	32,000	Modusteel Building Systems Inc. - South River, Ont	97,250
High Prairie Regional Health Complex - High Prairie, Alta	5,306	Les Deraileurs D.A.D. LTEE - La Guadeloupe, Que	30,000	Moloney Electric Div. Hammond Mfg. Holding - Toronto, Ont	25,000
Hilnax Packaging Inc. - Burnaby, B.C.	18,975	Les Entreprises Somme LTEE - Cap-De-La-Madeleine, Que	21,165	Moonbeam Concrete Prod. Inc. - Moonbeam, Ont	50,000
Hillebrand Estates Winery Limited - Niagara-On-The-Lake, Ont	25,000	Les Industries De La Riviere Sud LTEE - Quebec	1,200	Moose Lake Local Fur Council - Moose Lake, Man	3,000
Hilton Beach Lumber Company Limited - Hilton Beach, Ont	10,150	Les Industries Patenaude Inc. - Laval, Que, Provisionally Repayable	941,536	Morin, Hector - Southend Reindeer Lake, Sask	20,050
Hochelaga Aerospace Inc. - Laval, Que		Les Jeunes Entr. Du Que. Metr. Inc. - Quebec, Que	16,000	Morphet, Don - Little Current, Ont	33,950
Provisionally Repayable	383,194	Les Meubles J.E.F. Inc. - Montreal, Que	1,200	Morris Skookum - Carmacks, Yukon	3,000
Hochelaga Aerospace Inc. - Laval, Que, Repayable	215,039	Les Plastiques Daniel Leblanc LTEE - Saint-Romuald-D'Etchemin, Que	17,247	Mount Payton Outfitters Ltd. - Bishops Falls, Nfld.	8,437
Hockley Valley Resort Limited - Orangeville, Ont		Les Tourieres Premier LTEE - Riviere Du Loup, Que	30,000	Mount View Barbeque Catering Ltd. - Banff, Alta	15,589
Repayable	3,075,000	Les Tricots Parktown (1983) Inc. - Montreal, Que	1,200	Mr. Kirby Groat - Fort Simpson, NWT	3,150
Hodderott, William and Diane - Resbule, Ont	19,600	Lighthouse Hotel Ltd. - Cochin, Sask	123,200	Museatex Audio Inc. - Ville Saint Laurent, Que	27,160
Hofar-Tech Corporation - Oakville, Ont	494,700	Likro Precision Ltd. - Mississauga, Ont	220,000	Museatex Audio Inc. - Ville Saint Laurent, Que	203,910
Holmes, Howard - Merritt, B.C.	5,200	Linamar Machine Ltd. - Guelph, Ont, Provisionally Repayable	723,110	MWG Apparel Corporation - Winnipeg, Man	15,000
Honeywell Ltd. - North York, Ont		Lincoln Harbour Projects Inc. - St. Catharines, Ont	38,474	Myrias Research Corporation - Edmonton, Alta, Repayable	2,239,000
Provisionally Repayable	7,151,500	Linda Brundige & Robert Brundige - Bonnyville, Alta	7,567	Nancy G. Dress Corp. - Montreal, Que	1,200
Horizon Holidays Ltd. - Yellowknife, NWT	21,000	Lingerie Pink Lady Inc. - Montreal, Que	1,200	Nanuuk Outfitting Services - Lake Harbour, NWT	14,770
Horwath, Louis W. - Blind River, Ont	22,750	Lise Trepanier David - Kanehsatake, Que	10,450	Naocha Enterprises - Yellowknife, NWT	25,000
Howie, Dale & Shynkaruk, Derrick - North Battleford, Sask	11,850	Little Grand Rapids Local Fur Council - Little Grand Rapids, Man	4,625	National Entrepreneurship Dev. Institute - Toronto, Ont	29,250
Hudson Bay Diecasting Limited - Brampton, Ont	10,000	Litton Systems Canada Limited - Etobicoke, Ont, Provisionally Repayable	4,461,650	National Slag Limited - Hamilton, Ont	170,496
Humchitt, William - Waglisla, B.C.	30,000	London Winery Limited - London, Ont	24,750	National Woodcraft Ltd. - St-Leonard, Que	1,200
Hydro-Quebec-L.T.E.E. - Shawiningan, Que	157,500	Long Manufacturing Ltd. - Oakville, Ont	10,000	Ndu Tak Uko'e - Trout Lake, NWT	21,296
Hydro-Quebec-L.T.E.E. - Shawiningan, Que	420,000	Long Manufacturing Ltd. - Mississauga, Ont	10,000	Near North Laboratories Inc. - North Bay, Ont	52,454
Hydro-Quebec-L.T.E.E. - Shawiningan, Que	142,500	Long Manufacturing Ltd. - Cambridge, Ont	10,000	Nee-Chee Trucking Ltd. - Pine Falls, Man	181,000
Hydro-Quebec-L.T.E.E. - Shawiningan, Que	500,000	Longjohn, Eugene - Sturgeon Lake Reserve, Sask	30,000	Neilson Leisure Group PLC - England	5,250
Hypernetics Limited - Annapolis, Ont	18,000	Loon Lake Const. Asso. Inc. - Loon Lake, Sask	42,650	Neilson, Colin and Patricia - Stratton, Ont	20,000
Imrate Machine Works Ltd. - Thorold, Ont	100,000	Lu-Say Creations Inc. - Montreal, Que	1,200	Nelson House Fishermen's Association - Nelson House, Man	67,000
Ice House 1989 Ltd. - Whitehorse, Yukon	250,000	Lukala, Frederick & Shirley - Richards Landing, Ont	10,000	Nelson House Local Fur Council - Nelson House, Man	24,500
ICSB Canada - Windsor, Ont	8,000	Lutheran Women's Missionary League - Edmonton	2,899	Nelson Silviculture Ltd. - Weyakwin, Sask	19,100
Inco Limited - Sudbury, Ont	1,598,100	M & M Motel & Cabins - The Pas, Man	111,327	Neto Investments Ltd. - Vancouver, B.C.	24,750
Industries Detton Inc. (LES) - Sherbrooke, Que	2,625	M N D Confectionery - Lac Brochet, Man	22,312	New Flyer Industries Limited - Winnipeg, Man	45,833
Industries Detton Inc. (LES) - Sherbrooke, Que	41,750	M.R. Mackenry & Assoc. - Rockyview No. 44, Alta	4,498	New Flyer Industries Limited - Winnipeg, Man	84,628
Intaskin Wines Inc. - Niagara-On-The-Lake, Ont	25,000	MacDonald Dettwiler Technologies Ltd. - Richmond, B.C.	24,750	New Flyer Industries Limited - Winnipeg, Man	228,579
Innovative Research Inc. - Regina, Sask	67,761	Machinage Alipa Machining (Canada) Inc. - Chomedey, Que	117,500	New Found Tours Ltd. - St. John's, Newfoundland	15,990
Innovative Research Inc. - Regina, Sask	98,728	Mackay Lake Lodge (89) Ltd. - Yellowknife, NWT	150,000	New Tech Dental Inc. - New Liskeard, Ont	93,000
Intel Inc. - Sherbrooke, Que	155,375	Mackie Automotive Systems Inc. - Oshawa, Ont	22,500	Nexus Engineering Corp. - Burnaby, B.C.	25,000
Intel Inc. - Sherbrooke, Que	8,000	Magson's Bear Hunting Service - Lynn Lake, Man	39,060	NHB Industries Ltd. - Peterborough, Ont	25,000
Institut De La Technologie Du Magnesim - Ste-Foy, Que	1,000,000	Maligne Tours Ltd. - I.D. #12, Alta	22,723	Nicole Jacqueline Zurbrigg - South River, Ont	34,125
Institut De La Technologie Du Magnesim - Ste-Foy, Que	1,800,000	Man. Dept. of Industry, Trade & Tourism - Grand Beach, Man	37,500	Nil Norsat International Inc. - Surrey, B.C.	22,500
Institut De Recherches Politiques - Ottawa, Ont	10,000	Man. Dept. of Ind., Trade & Tourism - Winnipeg, Man	650,000	Nogier, Gerald and Bird, Les - Martensville, Sask	250,000
Inventronics Limited - Edmonton, Alta	372,500	Man. Dept. of Ind., Trade & Tourism - Winnipeg, Man	56,329	Nor-Am Electrical Limited - Port Credit, Ont	982,350
J & M Nakoolak Arts & Crafts Shop - Coral Harbour, NWT	9,200	Manfred A. Seiler - Sheguindah, Ont	32,000	Nor-Sled & Supplies Ltd. - Thompson, Man	7,955
J & S Tyler Precision Prod. Inc. - Mississauga, Ont	195,000	Man. Museum of Man & Nature - Winnipeg, Man	125,000	Norcast Inc. - New Liskeard, Ont	396,000
J.V. Ventures Ltd. - The Pas, Man	220,900	Manitoba Reg. Trappers Asso. - Grand Rapids, Man	6,000	Nordican Boat Company Inc. - Thunder Bay, Ont	69,690
J.W. Madsen Holdings Inc. - Lloydminster, Sask	92,500	Marathon Realty Company Limited - Calgary, Alta	4,375	Norman Wells Investments - Norman Wells, NWT	13,090
James D. Howard - Fairview, Alta	19,033	Maricko Investments Ltd. - Waterton Lakes Park, Alta	19,278	North American Aboriginal Exports Inc. - Duncan, B.C.	16,000
James Fiddler Trucking Ltd. - Prince Albert, Sask	24,000	Maricko Investments Ltd. - I.D. 4, Alta	15,559	North Haven Log Homes Ltd. - Cole Bay, Sask	37,210
Jan K. Popiel - Ft. Assiniboine, Alta	6,270	Marmot Basin Ski-Lifts Ltd. - I.D. #12, Alta	4,650	North Star Outfitters Ltd. - Eskimo Point, NWT	15,000
Jas-Dan Investments Ltd. - Jasper, Alta	51,000	Marmot Basin Ski-Lifts Ltd. - Jasper, Alta	6,125	Northern Forest Industries Ltd. - Lac La Biche, Alta	152,857
Jasper Park Chamber of Commerce - Jasper, Alta	29,750	Marques, Jose - Beardmore, Ont	15,012	Northern Airborne Technology Ltd. - Kelowna, B.C.	202,825
JeiKo Ltd. - Fort Rae, NWT	1,178	Marsan Foods Limited - Scarborough, Ont	25,000	North. Alta Railway Model Asso. - Peace River, Alta	99,516
Jet Moulding Compounds Limited - Ajax, Ont	10,000	Maximum West Ranch & Country Club Ltd. - Kananaskis, Alta	98,732	North. Analytical Ltd. - Whitehorse, Repayable	67,200
Jeyco Machine Products Ltd. - Mississauga, Ont	4,250	Maximum West Ranch & Country Club Ltd. - Foothills M.D. #31, Alta	22,095	North. Frontier Visitors Assoc. - Yellowknife, NWT	32,886
Joe Mercedi - Fort Simpson, NWT	89,600	Maynard Lake Lodge - Kenora, Ont	9,710	North. Gold Custom Coffee Service - Kirkland Lake, Ont	16,000
Joseph Rusas - Whitehorse, Yukon	5,775	Mayne Inn Resort Hotel Ltd. - Mayne Island, B.C.		Northern Handicraft Coops - Prince Albert, Sask	4,000
K B Circuits Ltd. - Saskatoon, Sask	217,250	Repayable	144,000	Northern Lights Fishing Lodge Ltd. - Labrador City, Nfld	19,800
Kangirsiniq Development Co-Op Ltd. - Rankin Inlet, NWT	13,125	McBeth Point Fishermen's Asso. - Jackhead Harbour, Man	23,030	North. Meat Packers & Abattoir Ltd. - Trout Creek, Ont	61,500
Karen Murray - Whitehorse, Yukon, Repayable	33,200	McCulloch, Donald - Little Current, Ont	7,875	Northern Village of Pinehouse - Pinehouse, Sask	57,940
Kasba Lake Lodge - Baker Lake, NWT	1,155	McFarlane, Merdick Earl - Providence Bay, Ont	30,900	Northland Aircraft Service Ltd. - Ignace, Ont	90,400
Kathleen Diana Lyon - Englehart, Ont	20,000	McLean, Leon - Spanish, Ont	33,062	Northlands Career College - La Ronge, Sask	26,300
Kauwex of Canada Inc. - Windsor, Ont	7,437	Measurex Inc. - Longueuil, Que, Provisionally Repayable	1,022,450	Norlands Auto - Norway House, Man	100,850
Keddy Motor Inns Limited - Pugwash, N.S.	149,000	Medallion Computer Corp. - Sault Ste. Marie, Ont	7,690	Northwest Territorial Airways Ltd. - Yellowknife, NWT	10,645
Keddy Motor Inns Limited - Pugwash, N.S.	420,000	Medical Devices Canada - Etobicoke, Ont	2,625,000	Norway House Fishermen's Co-Op Ltd. - Norway House, Man	20,580
Keddy Motor Inns Limited - Pugwash, N.S.	21,000	Medicine Hat Inn 1988 Ltd. - Medicine Hat, Alta	44,130	Norwood Foundry Limited - Nisku, Alta	25,000
Kensington & Area Tourist Assoc. - Kensington, PEI	4,568	Meevasin Valley Authority - Saskatoon, Sask	99,000	Nova Scotia Dept. of Tourism & Culture - N.S.	50,436
Key Marina Inc. - Britt, Ont	20,500	Men's Clothing Mrs. Asso. of Ont. - Don Mills, Ont	24,947	Nova Scotia Dept. of Tourism & Culture - Nova Scotia	82,704
Keyano College - Fort McMurray, Alta	8,884	Menasco Aerospace Ltd. - Oakville, Ont, Provisionally Repayable	2,500,000	Nova Scotia Dept. of Tourism & Culture - Halifax, N.S.	64,306
Keyano College - Fort Chipewyan, Alta	884	Mennonite Heritage Village (Canada) Inc. - Steinbach, Man	9,700	Novatech Inc. - Ste-Julie, Que	25,000
Keyano College - Fort Chipewyan, Alta	9,017	Merco Industries Ltd. - Woodbridge, Ont	305,000	Novatronics Inc. - Stratford, Ont	131,000
Kimik Coop. Asso. Limited - Lake Harbour, NWT	70,000	Mesotec Incorporated - Sherbrooke, Que	455,000	Nunatext Publishing Corporation - Iqaluit, NWT	26,250
Kimik Coop. Asso. Limited - Lake Harbour, NWT	116,060	Methy Construction & Maint. Corp. - La Loche, Sask	52,420	NWT Financial Management Co. Ltd. - Yellowknife, NWT	7,700
Kiwi Canada - Burlington, Ont	15,000	Metrowerks Inc. - Montreal, Que	207,250	O & O Transportation - Stony Mountain, Man	11,762
Klawitther Handicrafts - Wollaston Lake, Sask	27,550	Metrowerks Inc. - Montreal, Que	42,750	Oceanwood Country Inn - Mayne Island, B.C.	
Knit-Rite Mills Ltd. - Winnipeg, Man	13,500	Meuble ideal LTEE - St-Charles De Bellechase, Que	1,200	Repayable	77,278
Kodiak Log Ltd. - Sault Ste. Marie, Ont	78,500	Meubles R.S. Inc. - St-Laurent, Que	24,750	Oliver, Blain - Skead, Ont	16,380
Kondor United Aircraft Parts Ltd. - Oakville, Ont	427,500	Michael Hoffman/Leo Bruyere - Ear Falls, Ont	71,128	Olukhatomut H.T.A. - Holman Island	41,400
Kool Kids Radiator Shop Ltd. - Lipton, Sask	24,200	Midan Metal Processors Inc. - Thunder Bay, Ont	221,814	One 2 One Corporation - Haliburton, Ont	60,000
Koolenay Manufacturing Company - Nelson, B.C.	21,375	Mike M. Zelman & H. Darlene Zelman - Athabasca, Alta	516	Onida Canada Ltd. - Niagara Falls, Ont	47,950
Krebs Electroplating Ltd. - Cambridge, Ont	336,850			Ontario Bus Industries Inc. - Mississauga, Ont	25,000
Kropf Industrial Inc. - Parry Sound, Ont	25,435			Ontario Social Development Council - Toronto, Ont	45,000
Kuoni Travel Ltd. - England	20,514			Ontario Social Development Council - Toronto, Ont	30,800
Kusawa Outfitters - Whitehorse, Yukon	5,700			Original Log Cabins Ltd. - Ignace, Ont	99,690
L.H.M. Technologies Inc. - Woodbridge, Ont	222,000			Original Machine Tools Inc. - Mississauga, Ont	480,000

Ostashek Outfitting Limited - Whitehorse, Yukon	7,400	Royal Architectural Inst. of Canada - Ottawa, Ont.	13,100	Travel Manitoba - Manitoba	90,000
Oxford House Fishermen's Association -		Royal Drilling Services Ltd. - Creighton, Sask.	99,750	Travel Manitoba - Winnipeg, Man.	29,731
Oxford House, Man.	16,000	S C Travel - Bathurst Inlet, NWT	11,537	Travel Manitoba - Manitoba	18,555
P & D Aircraft Leasing Ltd. - La Loche, Sask.	31,500	Sila Lodge - Keewatin, NWT	9,450	Travel Manitoba - Manitoba	57,500
P.E.I. Farm Vacation Association - Orwell, PEI	2,570	Silkway Destination Man. Inc. - Vancouver, B.C.	21,500	Tri-Gram Developments Inc. - Iqaluit, NWT	33,088
P.J. Wallbank Mfg. Co. Ltd. - Plattsville, Ont.	100,000	Simmons Limited - Brampton, Ont.	1,200	Tsa Cho Dena Forestry Corp. - Lower Post, B.C.	28,000
Pacific Destination Resorts Ltd. - Chemsinus, B.C.		Singer Lighting Co. - Toronto, Ont.	24,450	Tul Safety Equipment Limited - Hawkesbury, Ont.	219,732
Repayable	475,000	Sinikarvik Ltd. - Rankin Inlet, NWT	3,498	Tulugak Co-Operative Ltd. - Broughton Isl. NWT	93,345
Pacific Rim Institute of Tourism - Vancouver, B.C.	12,000	Slave Lake Gen. & Aux. Hospital & Nursing -		TW Manufacturing Inc. - Saint Hubert, Que.	490,000
Pacific Western Transportation Ltd. - Calgary, Alta.	22,685	Slave Lake, Alta.	2,667	Underwood, George - Saanichon, B.C.	8,313
Panorama Resort Ltd. - Invermere, B.C.	13,900	Skiing Louise Ltd. - Lake Louise, Alta.	8,663	Underwood, Mary A.J. - Saanichon, B.C.	29,500
Paper Mill Rewinding Inc. - Thunder Bay, Ont.	99,000	Smeda Enterprises Centre Inc. - Grande Prairie, Alta.	32,400	Unifin International, Inc. - London, Ont.	25,000
Paradise Lodge & Bungalows - Lake Louise, Alta.	318,103	Smokyday, Christopher - Kinistin Reserve, Sask.	13,250	University of Victoria - Victoria, B.C.	10,000
Paul Starr - Livelong, Sask.	30,000	Solmundson Gesta Hus - Hecla, Man.	14,881	Urban & Regional Information Systems Asso. -	
Paulatuk HTA - Paulatuk, NWT	4,300	South Bruce Lakeshore Econ. Dev. Corp. - South Bruce		Edmonton, Alta.	5,756
Payne, James Michael - Pointe Au Baril, Ont.	22,000	Lakeshore, Ont.	3,750	Utik Lake Lodge - Utik Lake, Manitoba	156,375
Peace Valley Cons., Rec. & Tourism Soc. -		South Indian Lake Fishermen's Asso. - South Indian Lake,		Vac Developments Limited - Rexdale, Ont.	296,500
Bluesky, Alta.	564,200	Man.	87,500	Vac-Aero International Inc. - Oakville, Ont.	245,000
Pebrin Inc. - Don Mills, Ont.	10,000	Southstar Developments Inc. - Renfrew, Ont.	26,730	Vancouver Int'l Triathlon Society - Vancouver, B.C.	25,000
Peerless-Cascade Plastics Ltd. - Windsor, Ont.	100,000	Spar Aerospace Ltd. - Saint Anne De Bellevue,		Vancouver Public Aquarium Asso. - Vancouver, B.C.	
Peerless-Cascade Plastics Ltd. - Windsor, Ont.	9,891	Que., Repayable	1,001,822	Repayable	1,000,000
Pega Aerospace Inc. - Saint Leonard, Que.	215,360	Spar Aerospace Ltd. - Saint Anne De Bellevue,		Varian Canada Inc. - Georgetown, Ont. Prov. Rep.	494,919
Pembina Educational Consortium - Whitecourt, Alta.	11,250	Que., Repayable	2,692,786	Varian Canada Inc. - Georgetown, Ont.	
Penney, Mr. Donald G. - Grey River, Nfld.	28,803	Speer, Sam E.C. - Iron Bridge, Ont.	11,920	Provisionally Repayable	3,384,361
Performance L.T. Inc. - Laval, Que.	243,150	Spill Tech Industries Inc. - Sault Ste. Marie, Ont.	255,600	Veltri Stamping Corporation - Windsor, Ont.	100,000
Peter Bouchie - Berens River, Man.	50,300	Standard Products (Canada) Ltd. - Mississauga, Ont.	90,150	Veltri Stamping Corporation - Windsor, Ont.	7,439
Pharmaco - Vancouver, B.C.	3,000,000	Standard Products (Canada) Ltd. - Stratford, Ont.	5,511	Ventra Group Inc. - Chatham, Ont.	100,000
Pictou County Tourist Asso. - New Glasgow, N.S.	17,500	Staley Associates Engineering Ltd. - Europe	8,700	Ventra Group Inc. - Windsor, Ont.	6,550
Pine Bungalows Management Ltd. - Jasper, Alta.	72,233	St. Rita Marina Limited - Sturgeon Falls, Ont.	54,000	Venture Arctic Outfitters Ltd. - Yellowknife, NWT	16,002
Pine Island Lodge - Hecla Island, Man.	24,033	St. d'ast Inc. - Granby, Que.	396,158	Ventury Homes Inc. - Bowmanville, Ont.	12,900
Pioneer Diesel Injection Ltd. - New Liskeard, Ont.	82,500	St. d'ast, Norman D. - New Hazelton, B.C.	54,200	Ver-Temp Glass Inc. - Bellevue, Ont.	369,373
Placage Technicrome Inc. - Montreal, Que.	239,340	St. ne Maine Canada LTEE - Iberville, Que. Provisionally		Versatile-Wales Ltd. - Elliot Lake, Ont.	18,000
Plante, Tom & Schultz, Glen - Hudson Bay, Sask.	25,700	Repayable	855,000	Victorian Brass Works Ltd. - Concord, Ont.	1,200
Pocha, Stuart - MacDowall, Sask.	20,250	St. ne, Charles - Mosquito Reserve, Sask.	30,000	Vide Et Traitement Can. Inc. - Boucherville, Que.	400,000
Poly-Ure Castings Ltd. - Earlton, Ont.	72,665	St. rk Craft Ltd. - Richmond, B.C.	25,000	Village of Haines Junction - Haines Junction, NWT	28,400
Polytech Coatings Ltd. - Mississauga, Ont.	58,275	Stite Industries Limited - Cambridge, Ont.	498,500	Vogue Brasserie Incorporated - Willowdale, Ont.	25,000
Polytech Coatings Ltd. - Mississauga, Ont.	6,000	Subjory Welding & Engineering Ltd. - Sudbury, Ont.	209,200	Vorteck Industries Ltd. - Vancouver, B.C.	35,000
Poplar River Local Fur Council - Poplar River, Man.	17,500	Summerberry Commercial Fish. Group Inc. - Moose Lake,		VRA Precision Inc. - Oakville, Ont.	95,000
Porcupine Advance Limited - Timmins, Ont.	99,000	Mr. ?	7,000	Vulcan Automotive Equipment Ltd. - Vancouver, B.C.	4,000
Port Alberni Maritime Heritage Society -		Superior Hardwood Veneers Limited -		Walker Exhausts Div. Tenneco Canada Inc. - Cambridge,	
Port Alberni, B.C., Repayable	200,000	Sault Ste. Marie, Ont.	99,442	Ont.	100,000
Portage La Prairie Chamber of Commerce -		Superior Millwork Ltd. - Saskatoon, Sask.	16,125	Wanipigow Producers Co-Op Ltd. - Wanipigow, Man.	4,500
Portage La Prairie, Man.	15,000	Susan Shoe Industries Limited - Hamilton, Ont.	1,200	Wasagamung Chamber of Commerce -	
Powder King Ski Village - Mackenzie, Repayable	221,000	Swynn International (Can) Corp. - Thunder Bay, Ont.	25,000	Wasagamung, Man.	7,500
Powell Equipment (1978) Ltd. - Thunder Bay, Ont.	423,300	Swin Enterprises - Grassland, Alta.	5,116	Watercolour Bath Products Inc. - Mississauga, Ont.	102,946
Pratt & Whitney Canada Inc. - Longueuil, Que.		Syndel Laboratories Ltd. - Vancouver, B.C.	46,383	Watson, Larry - Tekamah, Ont.	25,200
Provisionally Repayable	81,300,000	Taiga Sports Fishing Ltd. - Yellowknife, NWT	11,299	Wayside Industries (1983) Limited - Saint John, N.B.	25,000
Pratt & Whitney Canada Inc. - Longueuil, Que.	3,669,544	Telosteel Limited - Sudbury, Ont.	243,250	Webb-Quivik Ltd. - Yellowknife, NWT	19,036
Pratt & Whitney Canada Inc. - Longueuil, Que.	9,850,000	Temarac Develop. Corporation - Fort Smith, NWT	8,851	Welding Institute of Canada - Oakville, Ont.	28,000
Premier Spring & Mfg. Ltd. - Ayr, Ont.	10,000	Technologies Securiplex Inc. - Point Claire, Que.		West County Veterinary Clinic Asso. -	
PEI Preserve Co. Inc. - Hunter River, PEI	6,125	Provisionally Repayable	657,425	Beaverfoot, Alta.	44,330
Prince, Dixon - Ft. St. James, B.C.	2,925	Teco Precision 85 Inc. - Saint Laurent, Que.	86,250	West Edmonton Mall Ltd. - Edmonton, Alta.	14,685
Prior Data Sciences Ltd. - Kanata, Ont. Repayable	2,497,500	Teleflex (Canada) Ltd. - Richmond, B.C.	25,000	West Travel, Brennan Tours Division - Alberta	9,341
Pro-Gestation Estrie Inc. - Sherbrooke, Que.	5,000	Temagami Wilderness Centre Ltd. - Temagami, Ont.	14,636	West-Lox Fasteners Corporation - Athabasca, Alta.	55,374
Prototype Circuits Inc. - Scarborough, Ont.	356,225	Terra Nova Biotechnology Co. Ltd. -		Western Archib. Div. of 316291 Alta. Ltd. -	
Prototype Circuits Inc. - Scarborough, Ont.	495,000	S. Johns, Nfld.	295,800	Edmonton, Alta.	12,221
Pukawagan Fishermen's Inc. - Sisipuk Lake, Man.	16,000	Tesma Int'l Inc. - Concord, Ont. Repayable	4,096,699	Western Arctic Nature Tours - Inuvik, NWT	3,675
Pulp and Paper Research Inst. of Canada - Pointe-Claire,		The Boardwalk Theatre Co. Inc. - Winnipeg Beach, Man.	4,000	Western Canada Farm Progress Show - Regina, Sask.	10,000
Que.	100,000	The Canadian University Ind. Coun. - Hamilton, Ont.	635,000	Western Glove Works Ltd. - Winnipeg/Manitoba	15,000
Pyramet Industries Ltd. - Edmonton, Alta.	250,184	The Electrofuel Mtg Co. Ltd. - Toronto, Ont.	352,390	Westmet Stampings Div. Cosma Int'l Inc. - Downsview,	
Pyramid Riding Stables Ltd. - I.D. #12, Alta.	14,239	The Forks Renewal Corporation - Winnipeg, Man.	625,000	Ont.	100,000
Pyrok North America Inc. - Temagami, Ont.	983,777	The Goldbelt Gazette - Creighton, Sask.	10,300	Westronic Inc. - Calgary, Alta.	240,000
Qaivvik Ltd. - Yellowknife, NWT	10,899	The Great Canadian Travel Co. Ltd. - Manitoba	5,380	Weyakwin Log Homes Ltd. - Weyakwin, Sask.	96,000
QCC Communications Corp. - Saskatoon, Sask.	99,492	The Hills Health & Guest Ranch - 100 Mile House, B.C.	16,000	Whistler Centre For Bus. & The Arts - Whistler, B.C.	50,000
Qualtex Kitchens Inc. - Markham, Ont.	25,000	The Institute of Internal Auditors Inc. - Calgary, Alta.	2,948	White Point Holdings Limited - White Point, N.S.	17,500
Quality Door Hardware Limited - Thunder Bay, Ont.	51,000	The Montreal Board of Trade - Montreal, Que.	30,000	Wildrose Logging Co. Ltd. - Grande Prairie, Alta.	59,363
Quality Fabrics Limited - Montreal, Que.	1,200	The Queensway Machine Prod. Ltd. -		Wilson, Philip V. - Hazelton, B.C.	30,000
Quality Meat Packers Limited - Toronto, Ont.	25,000	Ebbicoke, Ont.	364,432	Winbri Corporation - Bruce Mines, Ont.	10,395
Quantic Laboratories Inc. - Winnipeg, Man.	235,007	The Sanderson-Harold Company Ltd. - Paris, Ont.	25,000	Windsor Plastic Products Limited - Windsor, Ont.	10,000
Queen Charlotte Wilderness Exped. - Vancouver, B.C.	24,600	The Water's Edge Marine Limited - Nelson, B.C.		Wingco Leasing Inc. - Downsview, Ont.	
Queen's University - Ottawa, Ont.	2,000	Repayable	482,875	Loan Guarantee	14,985,895
R & Y Holdings Ltd. - Green Lake, Sask.	16,800	The "J" Group - Yellowknife, NWT	1,697	Wingco Leasing Inc. - Downsview, Ont.	
Rabesca's Resources Ltd. - Rae-Edzo, NWT	5,223	Thomas Cook Limited - England	10,770	Loan Guarantee	31,733,190
Racal Filter Tech. Ltd. - Brockville, Ont. Prov. Rep.	85,000	Thomas Edward Leonard - Port Alberni, B.C.	27,800	Wingrill Inc. - Brighton, Ont.	169,059
Racal Filter Tech. Ltd. - Brockville, Ont. Prov. Rep.	980,000	Thomas Kudlo - Baker Lake	2,252	Winnipeg Int'l Children's Festival Inc. -	
Rainbow Adventure Tours Ltd. - Yellowknife, NWT	14,324	Thomson & Nielsen Electronics Ltd. - Kanata, Ont.	220,250	Winnipeg, Man.	36,300
Rainford Corporation - Scarborough, Ont.	426,423	Thomson Family Farm - Assiniboine Reserve, Sask.	86,200	Winnipeg Minor Soccer Association - Winnipeg, Man.	1,219
Rains, Roger - Emsdale, Ont.	7,875	Thorburn Aviation Ltd. - Clarendville, Nfld.	9,594	Winnipeg World '91 Inc. - Winnipeg, Man.	20,000
Rebel Slacks Co. Ltd. - Montreal, Que.	1,200	Timber Bay Development Corp. -		Winnipegosis Co-Op Fisheries Ltd. -	
Rector's Machine Shop Ltd. - Sault Ste. Marie, Ont.	55,000	Timber Bay, Sask.	25,000	Winnipegosis, Man.	37,500
Red Cross Historic Trail Rides - Makwa, Sask.	19,180	Titan Steel & Wire Co. Ltd. - Surrey, B.C.	24,750	Winnipegosis, Man.	27,496
Red River Exhibition Association - Winnipeg, Man.	750,000	Titan Wood Products Ltd. - Mississauga, Ont.	1,200	Women Business Owners of Manitoba Inc. -	
Red River Marathon Canoe Race Inc. - Winnipeg, Man.	4,636	Toromont Industries Ltd. - Toronto, Ont.	11,250	Winnipeg, Man.	15,000
Reg's Taxi - Split Lake, Man.	21,900	Tourism Ind. Asso. of Man. - Brandon, Man.	1,858	Women Inventors Project - Waterloo, Ont.	25,000
Regal Bedding (1977) Ltd. - Winnipeg, Man.	1,200	Tourism Ind. Asso. of the NWT - Yellowknife, NWT	20,790	Wordsworth Communication Services Ltd. - various locations	
Regency Int'l Develop. Fund - Yellowknife, NWT	240,240	Tourism Ind. Asso. of the NWT - Yellowknife, NWT	477,470	Manitoba	35,702
Reid, Martin & Sons Ltd. - Minaki, Ont.	40,500	Tourism Ind. Asso. of the NWT - Yellowknife, NWT	75,576	World Wide Adventure - Inuvik, NWT	18,536
Rexwood Products Ltd. - Haileybury, Ont.	30,000	Tourism Ind. Asso. of the NWT - Yellowknife, NWT	9,468	World Wide Baby Basics Infant Wear Ltd. -	
Rheal Demore - Noeville, Ont.	18,800	Tourism Ind. Asso. of the NWT - Yellowknife, NWT	525,004	Vancouver, B.C.	21,525
Richard John Blake - Fort McPherson, NWT	83,468	Tourism Ind. Asso. of the Yukon - Whitehorse	4,680	Y & C Holidays Inc. - Richmond, B.C.	5,800
Richard R. Desjardins - Turnor Lake, Sask.	18,000	Tourism Ind. Asso. of the Yukon - Whitehorse	41,040	Yamaska Inc. - I.D. #8, Alberta	2,109
Richard Storr - Aklavik, NWT	13,750	Tourism Ind. Asso. of the Yukon - Whitehorse	43,200	Yellowknife Great Slave Lake Cruises -	
River Trails North Ltd. - Fort Smith, NWT	9,271	Tourism Ind. Asso. of the Yukon - Whitehorse	10,944	Yellowknife, NWT	2,129
Riverlife Inc. - Winnipeg, Man.	42,500	Tourism Winnipeg - Winnipeg, Man.	150,000	Yellowknife Great Slave Lake Cruises - Yellowknife	3,675
RJK Mobile Mechanics Inc. - Yellowknife, NWT	12,862	Tourisme de Precision Airborne LTEE -		Yellowknife Wholesale - Yellowknife, NWT	38,003
Roberts, Don - Terrace, B.C.	27,000	Saint Leonard, Que.	454,896	York Landing Local Fur Council - York Landing, Man.	12,000
Rockmaster International Ltd. - Lac La Biche, Alta.	29,439	Tourisme de Precision Airborne LTEE -		Young Entrepreneurs of Sask. - Regina, Sask.	2,275
Rockvent Inc. - Sudbury, Ont.	62,000	Saint Leonard, Que.	200,000	Young Entrepreneurs of Sask. - Regina, Sask.	45,000
Romax Tool Corporation - Agincourt, Ont.	229,500	Town of Faro - Faro, Yukon	25,200	Yu, Ricky - Elliot Lake, Ont.	35,000
Romzap Limited - Niagara Falls, Ont. Repayable	3,325,000	Town of Fort Smith - Fort Smith, NWT	10,412	Yukon Anniversaries Commission - Whitehorse	25,200
Ronald D. Williams - Yellowknife, NWT	10,382	Town of Gimli - Gimli, Man.	500,000	Yukon Game Farm Ltd. - Whitehorse, Repayable	128,800
Rose Arts Ltd. - Inuvik, NWT	7,427	Town of Inuvik - Inuvik, NWT	840	Yukon Goldpanning Championship - Whitehorse	9,936
Rosville Amusement Centre - Norway House, Man.	5,670	Tozer, Shane - Elliot Lake, Ont.	18,900	Yukon Historical & Museums Asso. - Whitehorse	25,200
Roto-Form Div. Tesma Int'l Inc. - Rexdale, Ont.	10,000	Traditional Pursuits Co. Ltd. - Fort Qu'Appelle, Sask.	39,675	Zahler Automotive Prod of Canada -	
Roto-Form Div. Tesma Int'l Inc. - Rexdale, Ont.	100,000	Travel Manitoba - Manitoba	16,000	Sault Ste. Marie, Ont.	94,500
Rotoflex International Inc. - Mississauga, Ont.	486,933	Travel Manitoba - Winnipeg, Man.	79,381	Zenith Graphics Ltd. - Vancouver, B.C.	22,500
Royal Architectural Inst. of Canada - Ottawa, Ont.	20,000	Travel Manitoba - Manitoba	9,500	Zwest Electronics Inc. - Mississauga, Ont.	22,500

If you can't trust the trustees who can you trust?

by John Lavin

In June of 1992, both the Scarborough and East York school board trustees voted to increase their pay by 64% and 39% respectively. Each board approved the raises in an underhanded fashion, choosing to forward a motion for the raises under the heading of "other business" on their respective agendas. In the case of East York, it was subsequently discovered that their raise had already been agreed to in a closed session prior to their meeting.

A huge public outcry erupted. This resulted in the East York board of trustees spending \$32,000 of taxpayers' money to hire a public relations company to douse the flames of discontent which they had ignited. In both cases, thousands of angry taxpayers stormed board meetings to express their displeasure. Finally, under pressure from taxpayers, East York trustees rolled back their increase to 3%.

On the other hand, Scarborough trustees, faced with the same public outcry and a 20,000 signature petition, decided to keep their pay raise. Since August 1992, taxpayers have continued to speak out against the raise at the monthly school board meetings. Consequently, there were some intimidation tactics employed, as employers of certain protesting members (including



A point being made at a trustee meeting.

my own) received a phone call with the apparent intention of discrediting us at our workplace.

In January 1993, the Scarborough trustees relented somewhat, and reduced their raise from 64% to 36%. However, many still considered this raise outrageous and taxpayers continued to pressure trustees at their board meetings. In May 1993, the trustees decided to change some of the board's by-laws to effectively gag the protesting public.

Now, the board can decline to hear from individuals or delegations who have addressed the board previously on the same topic. As well, because individuals and tax groups from other parts of the province had been showing up to criticize the raise, a change was also approved prohibiting presentations from people residing outside of Metro Toronto. This issue has gone beyond an obscene pay increase and what we're now dealing with is far more valu-

able - a loss of freedom.

In 1982, trustees across Metro Toronto were making approximately \$7,500 a year for what was once a volunteer position. However, at that time, the province granted them the right to raise their own pay, a right which they have since been exercising with boundless enthusiasm.

In 1988, Toronto school board trustees, with the support of Tony Silipo (a trustee at the time and former Minister of Education in the Rae government), voted themselves a whopping 86% pay increase. This increased their salary to approximately \$49,500 per year, 1/3 of which is tax free,

for what many still consider to be a part time position.



John Lavin is with the Taxpayers Alliance of Toronto

It's our responsibility

by Jim McKee

Canada is floundering in a sea of debt. Our economic, environmental and social programs continue to grow, yet nobody is prepared to take a cut in pay, have their favourite social program scaled back, or pay more taxes.

In fact, some single interest groups are demanding more funding and pay increases.

We all recognize the problem but seem to lack the will to tackle it. Maybe we have to hit bottom, as New Zealand did, before we accept the fact that we all have to sacrifice and hurt a bit in order to climb out of the hole we're in.

We are, for the most part, a very apathetic and gullible people. We find it easier to whine and complain than to keep abreast of the issues. We trust and accept the judgments of government, or criticize

from a base of insufficient knowledge. We vote people into public office based on their charisma and political skills, and not on their ability to run the country in a disciplined and business-like manner.

In many ways, we're a big part of the problem. Consequently, politicians find themselves in a difficult position, since legislating the necessary program reductions would be political suicide without voter approval, and many voters don't appear ready to offer that approval.

Unfortunately, many claim they're too busy to take part in serious political dialogue. A healthy democracy requires that we become better informed and more involved in the political process. As Robert Maynard Hutchins said, "The death of a democ-

racy is not likely to be an assassination by ambush. It will be a slow extinction from apathy, indifference and undernourishment."



Jim McKee is involved with a group called "Concerned Citizens" in Woodville, Ontario.

What can taxpayers do about these blatant abuses?

1. For a start, phone your local school board and find out who your trustee is (many people don't know). Remember, this elected official is responsible for roughly 52% - 54% of your property tax dollars (sometimes more outside Metro Toronto).

2. Attend public school board meetings.

3. Write or phone your local member of the provincial parliament and ask them to take away the right of trustees to raise their own salaries.

Remember, it's your pocket they keep picking, and only you can stop it.

THE TAXPAYER

Promoting the responsible and efficient use of tax dollars

Summer '93

Manitoba government is losing deficit battle

Each year, Manitobans pay half-a-billion dollars in interest on debt

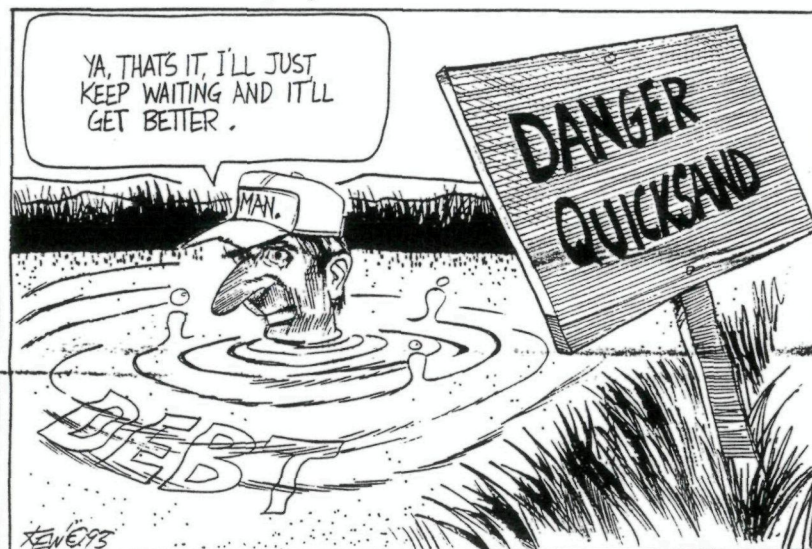
by Peter Holle

Manitoba has a growing deficit problem. Despite years of "restraint" and a growing economy during the late 1980's, the government managed to quadruple its annual deficit (from \$141 to \$562 million). Manitoba's recent bond rating downgrade symbolizes our government's continuing inability to control its large and rapidly growing debt.

Taxpayers should be worried. Manitoba is trying to "grow" itself out of its deficit problem. It won't work and we need look no further than Ottawa for evidence of that. Since 1984, the federal government has been struggling unsuccessfully to "gradually" reduce its deficit over time by restraining expenditures instead of cutting them, counting on the economy to grow to produce enough new revenues to balance its budget.

Despite record tax increases, the federal government has, in less than a decade, doubled the national debt while failing to get the annual deficit much below \$30 billion annually. Higher taxes, in turn, have weighed the Canadian economy down so much that tax revenues are growing slower than ever.

This "gradualist" approach produces a vicious cycle of more borrowing, increasing debt, and higher taxes, resulting in lower economic growth. In the end, lenders cut off governments from borrowing more money. The result, as other countries have discovered, is a severe budget crisis,



a collapsing dollar, and massive upheaval in the public sector, including big service cuts, rapid, forced restructuring, and spending reform. In short, the gradualist approach leads to a lot of pain and economic misery.

In 1993, the Manitoba government expects to spend about half a billion dollars just to cover interest payments on past borrowing. In other words, about 45% of Manitoba's income tax revenues now goes to pay for borrowing on past spending. Clearly, the gradual approach in Manitoba is failing.

Manitoba remains very exposed to the debt spiral outlined above. Consider the following: As the provincial deficit grows, interest costs on

past borrowing expand out of control. Manitoba's credit rating is downgraded again. Taxes go up. The economy grows slower than expected and produces less revenues than forecasted. This increases the deficit further. The government raises taxes again, and the cycle begins again.

However, as if this wasn't bad enough, two other unpleasant realities hang over Manitoba's government and taxpayers.

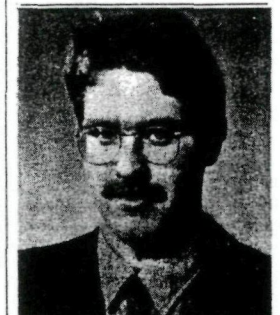
First, compared to many other provinces, Manitoba relies quite heavily on federal government transfer payments. These transfers account for 36% of Manitoba's 1993 budget. Given Ottawa's huge fiscal problems, expect federal transfers to be cut sharply, par-

ticularly after the federal election. This means less federal money next year and still higher Manitoba deficits in the future.

Second, Manitoba remains heavily exposed to foreign lenders and the declining value of the Canadian dollar. Like other governments in Canada, Manitoba has borrowed money from foreign lenders to finance its deficit and those of government companies such as Manitoba Hydro. When the value of the Canadian dollar falls, the cost of this debt goes up because the government has to repay it in American dollars, Swiss francs or whatever foreign currency it borrowed. Between April and December 1992, the falling Canadian dollar caused Manitoba's debt to

jump from \$11.8 billion to \$13.2 billion - an increase of \$1.4 billion. Recent dollar declines will further increase the size of its debt. The outlook is not good - few people these days predict an appreciating Canadian dollar anytime soon. Again, a higher debt means higher interest payments which in turn means a higher deficit.

Manitoba's government has bravely published a deficit reduction plan that forecasts a balanced provincial budget by 1996/97. This plan joins the other provincial plans trotted out in recent years. Unfortunately, it's not so easy. Every plan to balance budgets across the country has failed. Let's face the facts. Manitoba can't "grow" itself out of its deficit problem. Such exercises ignore the deficit spiral and the higher taxes that inevitably squeeze growth. Hard choices eventually have to be made. Only serious expenditure reforms will do it.



Peter Holle is a Research Associate with the Canadian Taxpayers Federation based in Winnipeg, Man.

Canadian Taxpayers Federation

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1993 Budget taxes shoppers and drivers

New used car sales tax procedures

Drivers and shoppers took the major tax hits in this year's Manitoba budget. The government hopes to squeeze another \$50 million out of the retail sector by taxing various items previously exempted from the province's 7% retail sales tax. Starting May 1, the sales tax applies to newspapers, magazines, snack foods, candy, prepared meals under \$6, including takeout foods, children's clothing over \$100, non-prescription drugs, personal hygiene supplies, school supplies, safety clothing, footwear and equipment, baby supplies, and sewing patterns.

On July 1, Manitoba hit shoppers with the sales tax at border

crossings. Federal tax collectors will collect the tax on behalf of the province.

Manitoba drivers get a double whammy: In April, the government increased gasoline taxes another 1.0 cent per litre to 11.5 cents per litre (52 cents per imperial gallon). This should squeeze another \$17 million from Manitoba drivers.

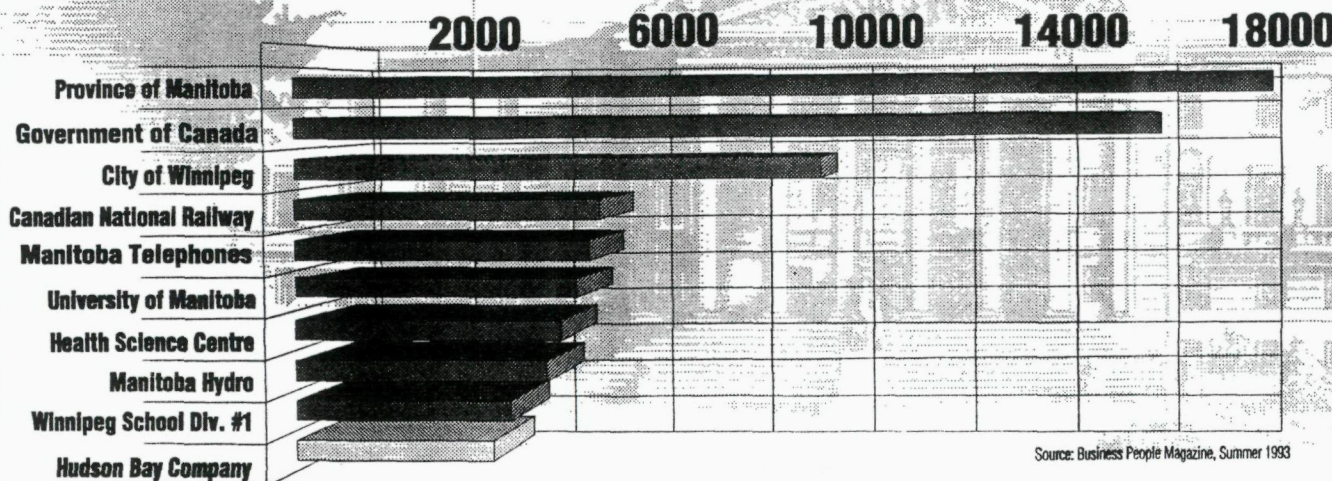
Starting August 1, 1993 buyers face a new bureaucratic process to allow the government to collect sales taxes on used car sales between private parties. A similar proposal caused a firestorm of protest in Saskatchewan in 1987, and was eventually withdrawn.



Selling your car privately - watch out for the taxman

Manitoba's top 10 employers

Government has top nine - So, who's paying for all these jobs?



Source: Business People Magazine, Summer 1993

Manitoba credit rating downgraded

In June, the Canadian Bond Rating Service Ltd. downgraded its credit rating for the Province of Manitoba and the government owned power utility Manitoba Hydro to A Plus from a double A minus. It also issued a negative outlook for both meaning that further downgrades are likely. This is bad news for Manitoba taxpayers since each downgrade raises the government's cost of borrowing money.

The bond rating service said Manitoba's public sector debt remains high with its tax levels among the highest of the ten provinces. The deficit's size, as a proportion of the Manitoba economy, is forecasted to be the second highest during the past 6 years. "Despite continuing expenditure restraint" the rating agency said, "the province's financial numbers are drifting back to the levels before 1989."

There is little wonder the bond rating agency is concerned, the interest on the Manitoba government's debt is the fourth largest spending item in its 1993/94 budget. To put this in perspective, about one out of every ten dollars that Manitoba projects to spend will be for interest on past deficit spending. If the government makes its budget forecast, it plans to spend about \$489 million to service the debt during the next year. Over the next year this means the Manitoba government plans to spend:

- \$40,750,000.00 per month, or
- \$9,403,486.15 per week, or
- \$1,339,726.03 per day, or
- \$55,821.92 per hour, or
- \$930.37 per minute, or
- \$15.51 per second,

to pay, not for services or capital spending that would benefit Manitobans today, but for deficit spending in past years.

The "interest on past borrowing" problem is growing

Manitoba's government has spent more than it has received in revenue for years.

The excess of spending over revenues produced first small, then larger, deficits.

These deficits have accumulated into a growing government debt and the problem has started to feed on itself, to gradually spiral out of control.

Why the provincial deficit hurts all Manitobans

1. Growing interest payments "crowd out" useful spending programs.

2. Growing interest payments fuel higher taxes.

3. Higher taxes discourage investment.

4. Less investment means fewer new jobs.

5. Fewer new jobs mean a stagnant tax base.

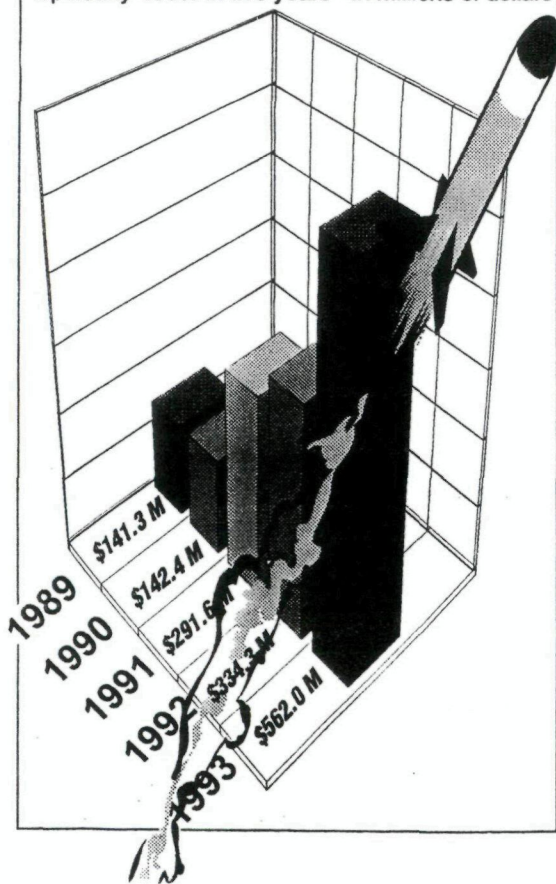
6. A stagnant tax base can't support growing interest payments and existing spending programs.



Filmon - Deficits up nearly 400% in five years.

Manitoba's exploding annual deficit

Up nearly 400% in five years - in millions of dollars



Bison out, kangaroos in at Winnipeg Down Under



Tourism is one of Canada's most important industries, bringing in an estimated \$26 billion to the Canadian economy each year. For this reason, federal and provincial governments have a long history of funding tourism projects, including many that seem offbeat and even a little bizarre. One such project is the quarter of a million dollars Western Economic Diversification will give the Zoological Society of Manitoba for a permanent exhibit of Australian animals and birds called

Winnipeg Down Under.

In announcing the project, Winnipeg South MP Dorothy Dobbie said the project "will spawn a substantial increase in visits and spending by international tourists." Well, maybe. On the other hand, it seems just as likely that those who have a hankering to travel to see koalas and kangaroos will want to see them in their natural environment. Does anybody have the number for Tourism Australia?

Manitoba government projected expenditures and revenues

The following is a breakdown of the Manitoba government's projected spending and revenues for 1993-94.

Revenues

Provincial income	Total	Cost for a family of four per month
Personal income tax	\$1,221,900,000	\$370.27
Retail sales tax	\$630,400,000	\$191.03
Health and Education levy	\$190,800,000	\$57.82
Gasoline tax	\$152,300,000	\$46.15
Tobacco tax	\$123,300,000	\$37.36
Corporation income tax	\$116,800,000	\$35.39
Corporation capital tax	\$76,000,000	\$23.03
Motive fuel tax	\$61,000,000	\$18.48
Revenue Act, 1964	\$54,400,000	\$16.48
Insurance corporations tax	\$25,700,000	\$7.79
Mining taxes	\$20,071,000	\$6.08
Land transfer tax	\$9,375,000	\$2.84
Oil and natural gas tax	\$5,381,000	\$1.63
Environmental protection tax	\$4,650,000	\$1.41
Para Mutuel tax	\$3,500,000	\$1.06
Succession duty and gift tax	\$46,000	\$0.01
Other revenues	\$451,191,000	\$135.72
Total Manitoba tax revenue	\$3,146,814,000	953.55
Federal transfers	\$1,755,600,000	\$532.00

Spending

Expenditure item	Total	cost for a family of four per month
Health	\$1,841,361,000	\$557.99
Education	\$1,016,139,000	\$307.92
Family Services	\$657,295,000	\$199.18
Interest on government debt	\$489,000,000	\$148.18
Highways	\$227,782,000	\$69.02
Finance	\$188,000,000	\$56.97
Justice	\$167,657,000	\$50.81
Agriculture and Rural Development	\$161,248,000	\$48.86
Government services	\$116,541,000	\$35.32
Employee benefits	\$86,035,000	\$26.07
Natural resources/environment	\$100,733,000	\$30.52
Urban Affairs	\$65,698,000	\$19.91
Culture and Heritage	\$52,654,000	\$15.96
Housing	\$49,850,000	\$15.11
Industry, trade and tourism	\$40,386,000	\$12.24
Workforce adjustment, salary increases	\$20,000,000	\$6.06
Northern Affairs	\$19,333,000	\$5.86
Labour	\$16,206,000	\$4.91
Energy & Mines	\$15,657,000	\$4.74
Legislative Assembly	\$13,860,000	\$4.20
Other departments and agencies	\$83,735,000	\$25.37
Total Expenditures	\$5,429,170,000	\$1,645.20

THE TAXPAYER

Promoting the responsible and efficient use of tax dollars

Summer '93

Romanow tax grab makes communities poorer.
In just two budgets, the Romanow government has increased taxes for a family of four by

\$2,300

by Troy Lanigan

Despite campaigning on a platform of holding the line and even lowering taxes, since taking office in 1991 the Romanow government has increased taxes in two budgets by \$2,300 a year per family of four!

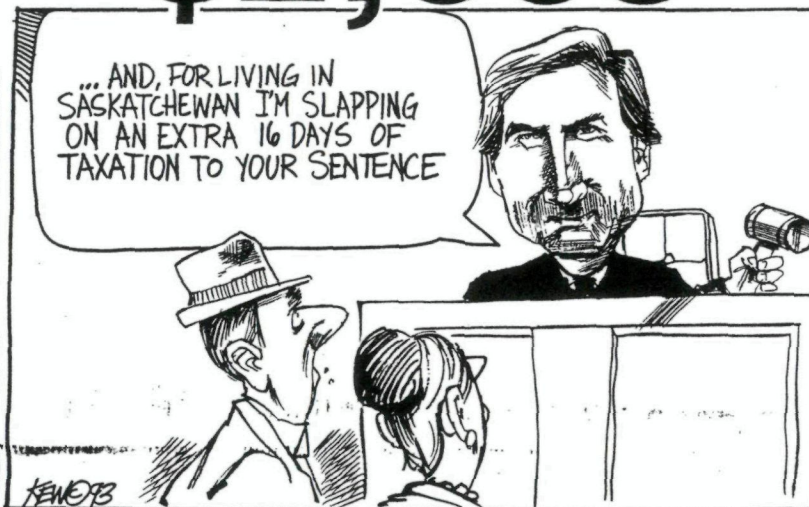
Saskatchewan now holds the distinction of having the last Tax Freedom Day in Canada. Calculated by the Vancouver based Fraser Institute, Tax Freedom Day is that day in the year when the average Canadian family has done enough work to pay the total tax bill imposed by the various levels of government. One year ago Tax Freedom Day fell on June 27th in Saskatchewan; this year it fell on July 8th - August 4th when you include the deferred taxes in the deficit!

This year's Tax Freedom Day calculations show Saskatchewan to be the highest taxed jurisdiction in Canada, with our governments consuming 52% of cash income.

Premier Romanow and his colleagues have justified the increases by saying the money's needed to deal with our ballooning interest costs on the provincial debt.



Troy Lanigan is the Provincial Coordinator of the Association of Saskatchewan Taxpayers



Yet, if the solution to tackling our debt is to raise taxes instead of cutting spending, why don't we raise income taxes even higher and boost the sales tax to 25%? I think former Finance Minister Ed Tchorzewski said it best when, during a television interview in March 1992, he stated: "Revenues cannot fix this deficit. It has to be dealt with on the expenditure side in order to get it under control."

Ed Tchorzewski was right, and the government deserves some credit for slowing the growth of spending. But consider this: The last Romanow budget increased the overall tax take by \$266 million while overall expenditures were reduced \$29 million. By my calculations that's a 9:1 ratio tax increase to spending cuts.

We'll never cure anything with a sick economy. Taking more money out of peoples' wallets is not making anyone better off. It's hurting families, communities, and ultimately the province as a whole. There's less money to

invest, and there's less money to spend and stimulate local economies. People are turning to the "underground economy" in record numbers.

Consider what these tax increases take out of a local economy. We applied the Romanow tax increases to 5 communities in the province to

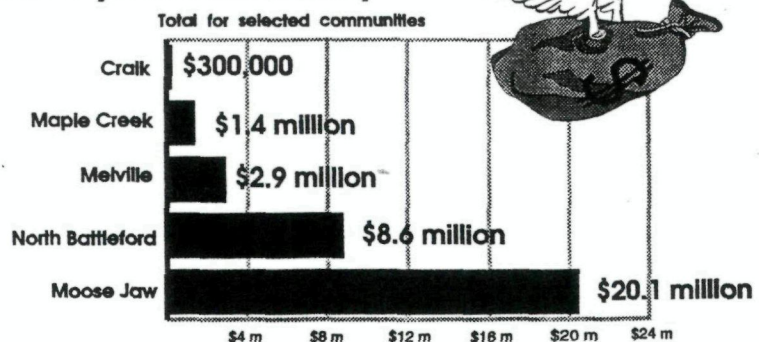
show how much money is being sucked from the local economy to the Legislature. The 500 residents of Craik watched \$300,000 leave their community, while another \$1.4 million will leave the 2,500 living in Maple Creek. The 5,000 citizens of Melville will pay an extra \$2.9 million,

while the 15,000 residents of North Battleford will have to dig deep for the \$8.6 million sucked from their city. The 35,000 residents of Moose Jaw will see \$20.1 million leave their community.

Despite all these taxes, our provincial debt in Saskatchewan still climbs \$810,000 each day. It's obvious that taxes are not and have not been the solution to our problem. It is, as former Finance Minister Tchorzewski pointed out, an expenditure problem.

It's time our elected officials moved in exactly the opposite direction they're moving now. The current policy isn't making anyone wealthier or better off. Let's see if leaving some more hard earned dollars in our local communities doesn't give Saskatchewan the economic pick up it so desperately needs. Government may find, as a result, a healthier economy which returns more, not less in revenues.

How much money have the Romanow tax hikes taken out of your community?



Canadian Taxpayers Federation

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What would happen if

Government companies had to compete?

by Troy Lanigan

Every spring Saskatchewan's crown corporations table their annual reports in the provincial legislature.

This past year eight of Saskatchewan's 12 crown corporations showed a "profit" totalling more than \$210 million. Of this total, a dividend of \$179 million was turned over to Crown Investments Corporation (CIC), which is the government's holding company for its crown corporations. The remaining "profits" were kept as retained earnings.

I've heard some argue that we should question the use of the word "profits", saying that they can't see how any company providing a widely used product or service in a monopoly position couldn't make a profit. I agree. For example, just about everyone has a telephone in their home and uses local access lines. It's a safe bet that SaskTel will have lots of customers. In fact they'll have all the customers.

How government companies make these "profits" is an interesting question. Customers are charged "utility fees" for their electricity, gas, telephone etc. The government sets these utility rates under a different set of rules than most businesses would set prices for goods or services.

In assessing its prices and services, a business must always take its competitor into account. A clothing store that priced all its merchandise 25% higher than a competitor down the street selling the exact same merchandise would soon go out of business. But if that same clothing store were granted a monopoly, not only would they extract huge "profits", everyone would pay 25% more for clothes than they otherwise

would under a system of competition. Under competition these extra costs could be spent in a hardware store, a restaurant, or a myriad of other places, creating jobs and economic activity.

The clothing store is just one of several examples. Most decisions we make with our money involves choice. Where we buy our groceries, where we buy our shoes, who cuts our hair, etc. - these decisions involve quality, price, timeliness, and other factors particular to us as individuals. When a service is monopolized we have no choice at all. Think about it. Would McDonalds sell \$1.00 hamburgers if legislation were passed that said it would be against the law if Burger King or any other hamburger joint tried to open up a restaurant?

Competition in the telecommunications industry

One of the best examples of competition is in the telecommunications industry. An industry where governments have traditionally held a tight rein. Saskatchewan is no exception. Even after a historic 1992 CRTC decision which allowed competition in the long distance telephone industry, Saskatchewan remained the only province in Canada to prevent any direct competition with its government run telephone company.

More than 12 years ago the same debate was going on in the United States. AT&T was aggressively lobbying the U.S. Congress to protect and legislatively entrench its monopoly. They failed in their lobby efforts.

Today, AT&T's revenues have more than doubled -- they employ more people, and are a far leaner and more diversified company. As Steve Akin of AT&T points out: "There's a change in mindset with competition. I think it ultimately benefits consumers because it forces companies to step out of their image again...and find out what people want, and then deliver on that basis. That very tough process changes the industry and changes the values of goods and services that are delivered to that sector.... If I don't do that, it's a simple 800 call to someone else. It has caused us to be very responsive to customer needs."

New Zealand offers another striking example. In 1984 the country's telecommunications

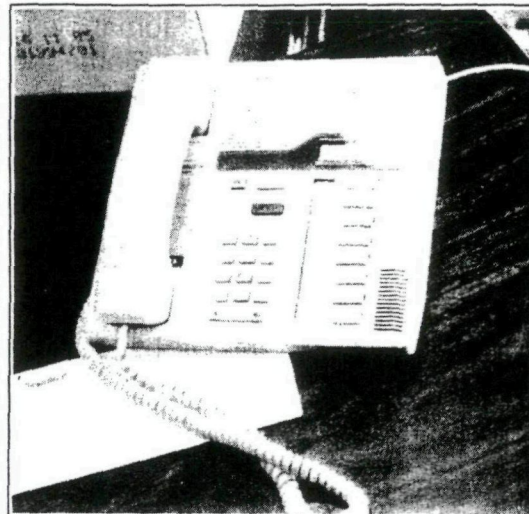
monopoly, Telecom, employed 28,000 people. In 1986 the industry was opened to competition and two years later all barriers were removed. Today that same company employs 6,000 people. Bad news? Not at all. There are now 300 different companies in the telecommunications industry, which employ more than 35,000 New Zealand residents, all as a result of competition.

Utility hikes are taxation

As long as Saskatchewan's crown corporations remain monopolies, utility fees, which have in the past year increased well above the rate of inflation, are really just another form of taxation. Government doesn't call them taxes, but that's what they are -- mandatory payment for services provided by government.

In telecommunications, for example, SaskTel has agreed to lower long distance prices, but not allow direct competition. While almost half of all new electricity demand across North America is being met by cogeneration, SaskPower will allow only a fraction of available cogeneration potential in the province to be phased in over ten years.

Other government companies show losses. SEDCO lost 47 million dollars last year. (As a high risk lender of last resort to business, this is no surprise. SEDCO provides a benefit to



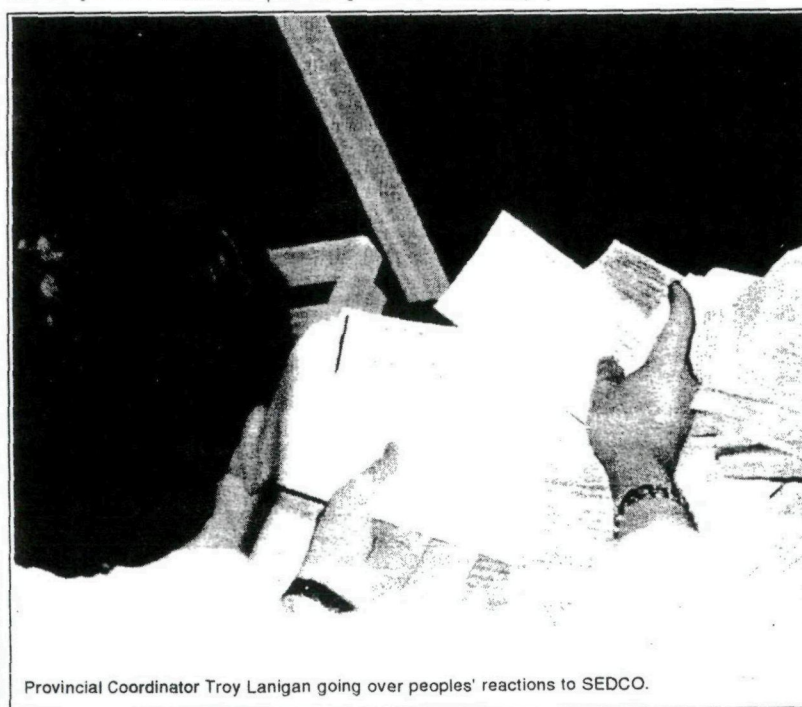
Utility rates - another form of taxation?

the select few at the expense of everyone in the province and should be closed for good.) The Saskatchewan Transportation Company (STC) also showed a loss last year of \$5 million dollars. STC has a legislated benefit in bus transportation but is exposed to what economists call the "substitution effect", which means consumers may choose alternate forms of transportation -- when you see a 50 passenger bus rolling down the highway with two passengers in it you'll know what I mean.

As we move in the direction of competition, at the very

minimum, crown corporation "utility hikes" should be treated as taxes and put under the same scrutiny as any other tax increase. The books should be opened and utility hikes should be debated in the Legislature. The suggestion by some that this would compromise their competitive position is nonsense because these crowns are rarely exposed to competition.

Competition would go a long way toward providing more efficiency, lower prices and better choice in the services provided by government run businesses.



Provincial Coordinator Troy Lanigan going over peoples' reactions to SEDCO.

The Association of Saskatchewan Taxpayers

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SaskPower - time for a change

by Jim Smith

For the past 40 years SaskPower has supplied Saskatchewan residents with a reliable source of electricity.

During these 40 years SaskPower has been adding new generating stations and transmission lines to meet increased demands for the electricity we have all come to appreciate.

But, despite rate increases, revenues are showing a downward trend and an uncertain future. Instead of downsizing or looking for alternatives in the delivery of service, SaskPower has instead chosen the all so familiar route of borrowing huge sums of money. SaskPower carries a \$2 billion debt, the largest of all Saskatchewan's crown corporations. Yet, despite such a bleak financial picture, SaskPower insists on continuing to build expensive power transmission lines.

One particular project is the proposed 230,000 volt power transmission line to be built between Condie (near Regina) and Queen Elizabeth Power Station (near Saskatoon). Con-

struction is scheduled to start in 1994 and total cost is estimated at \$42 million. The main purpose of the line is to integrate Shand Power Station near Estevan into the province's electrical grid system and to supply electricity to the Husky Upgrader at Lloydminster as well as the Millar Western Pulp Mill near Meadow Lake.

The new power line will replace two natural gas fired stations at a projected savings of \$800,000 per year. An additional \$2.2 million may be saved through reduced line losses because of higher voltage equipment they plan to install. Yet, even by these estimates, the savings don't appear to justify an infusion of \$42 million that neither SaskPower nor the taxpayers of Saskatchewan have to give.

The even larger danger is the uncertainty of future power demands. There is no evidence, for instance, that the two major customers, namely Husky Upgrader and Millar Western Pulp, will not opt to produce their own power source in the



At \$2 billion, SaskPower has the largest debt load of any government company.

future through cogeneration. A November 1992 report by the Minister's Steering Committee indicates that every 10 megawatts of unneeded capacity would cost about \$2 million per year in operating cost alone. This represents potential losses of up to \$20 million per year for SaskPower if it loses a 50-60

megawatt customer to cogeneration. It seems like a pretty big risk to take.

The risk is carried by the small electricity consumer, who will eventually be called upon to share in these risks through increased rates. Rates could skyrocket as a result of losing one of these or

any other major customer tied into SaskPower's system. Currently, 20 cents of your electricity dollar goes to pay SaskPower's debt. If SaskPower is having trouble paying for facilities already in place, how are they going to pay for a \$42 million powerline that is excessive at best?

Private electrical generation helps bottom line

by Jim Smith

Non-Utility Generation or "NUG" is power created by private producers which sell power to the provincial utility. The most common kind of NUG is cogeneration, which is the combined production of electricity and thermal energy, usually steam, from a fuel such as natural gas. Almost any industrial plant, such as a potash mine or pulp mill, uses natural gas in its processing and therefore has the potential to cogenerate its own electricity. Kalium Chemicals near Belle Plaine has 35 megawatts of capacity. Sifto Salt near Unity has 1.2 megawatts in place.

Weyerhaeuser Pulp Mill near Prince Albert has 22 megawatts of capacity and would like to expand to 95 megawatts and sell excess power outside its complex.

The Minister's Steering Committee Report estimates a total non-utility generation potential in Saskatchewan in excess of 2,000 megawatts. That's almost 70% of SaskPower's total supply of 3,095 megawatts! Currently, 32 companies have competitively priced proposals in place to supply over 700 megawatts of electricity to SaskPower. Even considering the fantastic potential that NUGs could provide,

SaskPower has agreed to buy only 100 megawatts over the next 10 years, but only after they have completed their \$42 million power line.

One of the main arguments advanced by SaskPower is that NUGs are too expensive. Nevertheless, some proposals from potential NUG operators came in 10% less than SaskPower can produce electricity at Shand, and with SaskPower's line and equipment losses of 11% and 6% respectively, a strategically located NUG could potentially be a 25% advantage to consumers.

Small capacity increments allow for maximum flexibility in responding to deviations in power demands. NUGs would provide new enterprise opportunities and would spread the risks involved, especially in capital infrastructure.

SaskPower has maintained a virtual monopoly for years, but times are changing. Of all new electrical demands in North America, 50% is being met by cogeneration, 30% through conservation and 10% by improved equipment standards, with very little left for major developments such as SaskPower proposes.

There is no need for SaskPower to build plants to meet increased power demands, when electricity could be purchased from private sources at far less financial risk to Saskatchewan residents.

Taxpayers Conference in November



Sir Roger Douglas - New Zealand

Speaking at a North Saskatoon Business Association luncheon on July 7th, Saskatchewan Taxpayers Provincial Coordinator Troy Lanigan announced that the first ever Saskatchewan Taxpayers Conference will take place at the Centennial Auditorium in Saskatoon on November 20, 1993.

The conference's theme will be "Restructuring for Tomorrow". Topics will include the delivery of services from governments and various crown corporations, balanced budget laws, citizen initiated referendums, cost cutting at the municipal level, and a host of other topics.

Confirmed speakers include former New Zealand Finance Minister Sir Roger Douglas, who introduced sweeping reforms to bring his country back from the brink of financial collapse, and Joel Fox of Los Angeles who heads the 250,000 member Howard Jarvis Taxpayers Association and is senior spokesman on Proposition 13. Also confirmed is Charles Bens of Toronto, who is Canada's leading consultant on municipal cost cutting and efficiency standards.

The conference will be one day and is open to the general public. Anyone interested in attending should contact the Association of Saskatchewan Taxpayers in Regina at 352-1044.



Private producers willing to sell electricity to SaskPower at a rate 10% below SaskPower's cost of producing electricity at the Shand power plant.

STC is bankrupt--only two routes make money

by Peter Holle

STC is a crown corporation that costs Saskatchewan taxpayers millions to operate every year. Using normal business criteria it has been technically bankrupt for many years. In 1992 STC lost between \$7 and \$9 million. Only two of STC's 43 bus routes cover their costs. In 1991, the average 48 seat capacity STC bus carried only 19.9 passengers per trip. In the last decade, losses at STC have increased the government debt by at least \$60 million.

As a taxpayer-subsidized monopoly, STC faces little need to remain competitive. It is a system where high prices reduce demand and high costs increase the losses covered by the taxpayer. The government also spends an additional \$4 million a year to fund a regulatory agency that makes sure private bus companies don't compete with STC.

Politicians and interest groups rationalize the losses at STC as the price which must be paid to guarantee bus service to rural areas. The Saskatchewan government formed the Saskatchewan Transportation Company (STC) in 1948 to provide province-wide bus passenger services to the Saskatchewan public. Times were different back then. Fewer people had cars and more people lived in rural areas.

The question that must be addressed in 1993 is simple:

To guarantee bus service to rural Saskatchewan, do taxpayers have to directly fund and subsidize a money-losing government bus company that owns and operates a fleet of 62 buses? The answer is no.

COMPETITION THE KEY

We can guarantee the same service at less cost to Saskatchewan taxpayers by using a system that governments all over the world now use to save money. It's called the "least cost subsidy system". Here's how it would work in Saskatchewan.

1. Deregulate the passenger bus market

Saskatchewan should permit competition in the passenger bus market. Many new, tax-paying bus companies would offer service on the more heavily travelled routes between major towns and cities. These companies would create jobs while offering more service and lower fares. Lower prices would stimulate demand and more people would use the bus. We would no longer need to pay millions for regulators to set fares and plan service levels. However, there would still be some minimal spending for policing safety standards.

2. Buy the service for "social routes" from private bus companies through competitive bidding

Since loss-making rural

routes would never survive in a market-oriented passenger bus system, the government would have to fund these "social" routes directly. A small semi-independent commission would identify these routes and seek competitive tenders from private companies operating these routes. The commission would award the company seeking the least cost subsidy for operating a route a limited time contract and subsidy. These contracts would contain strict quality guarantees to ensure a high level of service, safe vehicles and competent drivers.

To get the contract, operators would compete to lower costs. They would use less expensive

vehicles, contract out repairs and maintenance, and use less expensive, part time and locally based labour. The threat of losing the contract to a more efficient operator at contract renewal time would keep the pressure up for controlling costs. Over time, the number of routes requiring government subsidy would decline.

Same Service, Lower Taxpayer Cost

If we want to maintain marginal rural bus routes in Saskatchewan we have no alternatives beyond reducing services or spending STC subsidy money smarter. Fare hikes will only reduce ridership and

revenues. Continuing the "cost plus" government monopoly model will only make the unit costs of service more expensive over time.

There would be two benefits to adopting the least cost subsidy system. First, by buying service directly from competing bus companies the government would cut the taxpayer subsidy for "social" routes roughly in half. That would save about \$7 million annually. At the same time, deregulation would provide the public the wider benefits of lower fares and improved service. It would also broaden the tax base by removing government roadblocks that now prevent new bus companies from forming in Saskatchewan. And unlike STC, these companies would pay taxes!

Second, unlike the large, but hidden, government "bail-out" subsidy that funds STC's high costs and growing losses, the least cost subsidy system allows the government, and taxpayers, to identify precisely what is spent subsidizing "social" bus routes.

Ultimately, a visible subsidy invites informed public discussion. The total subsidy provided to rural bus service is large relative to the social benefit produced. By highlighting the real cost of subsidizing bus services, the public would be in a better position to see just where the government spends its hard earned money.



Competition is the answer to Saskatchewan's transportation woes.

Taxpayers go underground

by Troy Lanigan

On a recent trip to Calgary I stopped at a shopping mall in Medicine Hat, Alberta. I can tell you, I felt right at home; it seemed like most of the cars in the parking lot had Saskatchewan licence plates.

Can taxes really affect people's behaviour to such an extent, I asked myself. Judging from the full shopping bags

coming out of the mall, they certainly can.

There's a term we're hearing a lot more about in the news these days - "the underground economy" - activity to avoid and even evade taxes is becoming commonplace in Canada.

For the past two decades governments have recklessly borrowed huge sums of money. Now that the bills have come

due governments are turning to taxes to stem ballooning interest costs.

But the public isn't buying it. When it gets harder and harder to put food on the table each month, people will naturally look for ways to keep more money in their pockets and less money in the hands of politicians. Peoples' tax avoiding behaviour lowers government revenues.

Governments across the country which raised taxes this past year failed to see their estimated revenues materialize. The provincial sales tax in Saskatchewan is a good example. In the NDP's first budget in 1992, the government raised the tax from 7% to 8%, planning to bring in \$611 million in revenue. They ended up collecting closer to \$550 million, 10% less than anticipated, and less than they had received from the lower rate. Now the government has raised the provincial sales tax to 9%, planning to bring in \$672 million.

It doesn't take a brain surgeon to figure out what's hap-

pening here.

We have reached the point where people will get in their cars and drive the distance to save money doing their shopping in lower tax provinces such as Alberta. Growing up in British Columbia, I'm familiar with the hour long line ups at the U.S. border that people endure to fill their tanks up with gas and purchase dairy products.

Peter Spiro of the Canadian Tax Foundation, in a recent study, shows that governments lost about \$2.3 billion in revenue in 1992 from this kind of activity.

Just about everyone you talk to these days shares a story of how taxes are being avoided. I recently had a tire changed and I was quoted two prices, one of which was the cash price without GST and provincial sales tax. Many people tell me that barter arrangements are on the increase as well. A mechanic might do work on an accountant's car in exchange for some help with the books.

A report released by Reve-

nue Canada in April showed 5,000 falsified tax returns, estimated at 60 million dollars in lost taxes just in the Toronto area! The report goes on to indicate falsified returns this year are double what they've been in the past two years.

McGill University economist Reuven Brenner estimates the "underground economy" is worth about 15%, or more than \$100 billion, of the economy's reported output.

Is there a point at which we're taxed too much? Sure there is.

When tax increases actually result in less revenue, as is the case with our provincial sales tax, it benefits neither the government nor taxpayers to maintain the current policy.

Lower taxes would mean fewer people engaging in tax avoiding behaviour. Lower taxes mean people have more money to spend and invest. By lowering instead of increasing taxes, the Saskatchewan government may find a healthier economy which returns more, not less in tax revenues.



Buying in Alberta where taxes are lower.

The Leaders' Views

Haverstock's stand on Balanced Budget Legislation

In each of the next three editions of The Taxpayer we will attempt to publish a transcript of an interview with a member of each of Saskatchewan's three political parties on the subject of balanced budget legislation. The following excerpts are taken from an interview with Liberal Leader Lynda Haverstock.

TAXPAYER: As you know, in October 1991, 80% of the voters said we need a balanced budget law in this province. We haven't seen any action on it. Do you support a balanced budget law in Saskatchewan, and if so what would its make-up be?

HAVERSTOCK: I of course do; as a political party we ran on it. And the concept of balanced budget legislation is a way of forcing the government to develop an achievable plan and then to stick with it.

That's not to say we simply pass a law that says the budget will be balanced on June the 1st 1990-something and it becomes a done deal. The concept we proposed in our 1990 Liberal platform has three specific components:

The first...is to set budget dates, which would force the government to get into sync with the operational cycles of business and municipal governments who are affected by changes to the taxation structure. And the depoliticization of the budget process is necessary to eliminate pre-election deficits (which I think are blatant vote-buying) and mega-projects.

The second part of our platform document dealt with [a] deficit reduction act. I think a deficit reduction act is needed in order to force governments to apply new revenue sources to deficit reduction. For instance, no new tax increases would be permitted unless the revenue is directly targeted at reducing the deficit and the government would legally be bound to do so. If we're looking at something like government assets, any sale of government assets which results in revenue after debt service, all of those sales should have the proceeds legislated to the deficit.

One of the things we have at the present time is that a crown corporation could be sold and there would be no obligation on the part of government to apply any of those proceeds to the deficit. Now, obviously there has to be a settlement of any debts that are owed by the crown corporation. But if there were some kind of revenue, profits left over, they

don't have to apply that to the deficit.

So a deficit and debt reduction act would stipulate that once budgets are balanced, all revenues over expenditures would be targeted, and they would be targeted at then reducing the public debt. So it's two-fold - it's not just deficit reduction, it's deficit elimination, and then it's attacking the debt. And I think a similar act should insist on restrictions on the revenues for crown corporations as well.

Now, the third part of our platform was balanced budget legislation. And once these first two components are in place the way would be paved for a taxpayer protection act and a balanced budget act.... This would mean that the government would have to lay out over a four year period of time...programs for projected tax increases and expenditure reduction targets that are necessary to bring the budget into balance over a four year fiscal, political cycle. And one of the reasons for this is that it isn't simply good enough to make this simplistic. People might be inclined to simply say we should have balanced budgets every year.... You need the flexibility in the system, but it definitely should be within the four year period of time...by setting election dates, setting budget dates. We have much more control over the system in making it accountable. And I think that should be taken out of the party in power's hands...

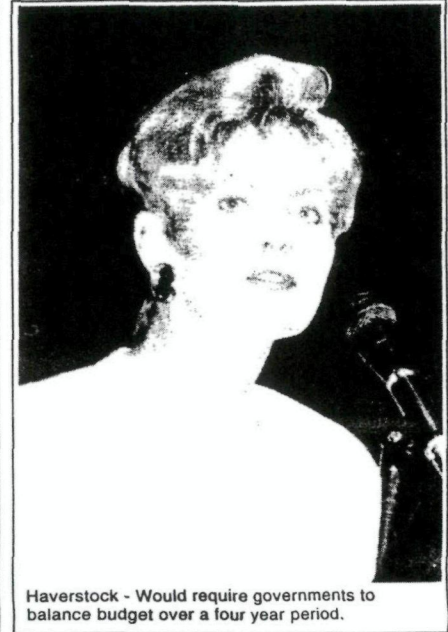
I realize there are a great many intricacies involved in crafting this kind of legislation, but I think what's most crucial is that the government recognize the need for this kind of action, and that it has to be more than symbolism of a commitment to deficit reduction and elimination of our debt. Because governments at all levels must be committed to employing the innovation and the skills of its public and private sector to develop and fine tune effective legislation, and this is what's going to produce the eventual outcome that is so often promised and nobody ever delivers. And that's of all political stripes.

TAXPAYER: What about an enforcement mechanism so that if the government doesn't balance the books after the four year cycle, as you propose, it could be held accountable?

HAVERSTOCK: One of the problems is that far too often, it's like the Code of Ethical Conduct that was put forward by the government. There's no mechanism by which you can do anything to anybody if they breach it. Where's the meat? Isn't this all nice rhetoric? And I agree, there has to be some way of holding people accountable if in fact they are not carrying out what the legislation states.

Now, there are two possibilities here of what could happen with people who don't take this kind of legislation seriously. One is that they would simply make it symbolic and would leave a lot of loopholes in it. The second is that they wouldn't understand the need for some kind of built-in flexibility but also built in accountability, and what we would have is people ending up seeing this as unworkable. And I don't think it has to be one or the other....

If people approach this in an overall way so that all the component parts are addressed, this is something that is not only workable, it would actually be something that might be able to turn our entire way of governing around. It's a very important thing to do. And it would actually move us away from so



Haverstock - Would require governments to balance budget over a four year period.

much political manipulation.

TAXPAYER: We've had to balance the books at the municipal level for as long as I can remember, and not many see that as unworkable. It will take time, it seems, for provincial and federal governments to follow suit.

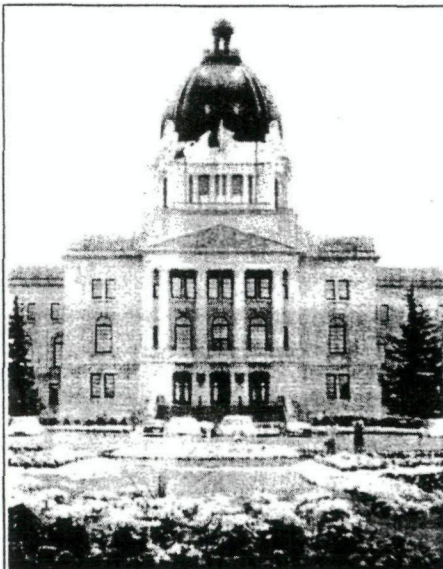
HAVERSTOCK: But they have to work in concert. One of the things we're doing in our convention this fall is having one session that deals with federal, provincial and municipal tax reform, so that all people come together looking at the interdependencies of those things.

I think that everything has to begin somewhere, the people want this.... People who are genuinely interested in good governing want it, and those who are interested in playing politics and keeping the power in the hands of a few are not interested in it. Their power that is concentrated is what is going to perpetuate the old system and keep them in power, so they don't want to see this kind of thing happen. And what concerns me most is that people pay lip service to this.

TAXPAYER: The Premier has been talking about a balanced budget law lately. Do you think we'll see something introduced in the legislature during this government's term?

HAVERSTOCK: I think we may in fact see something...[but] if you don't have a mechanism to enforce this or have some people held accountable with a result...then it really is meaningless....

What I don't want is some shoddy piece of legislation that is simply a half effort at this that will be perceived...as 'Oh well, people don't want to do this.' I want it done right so that the people can feel not only satisfied by this but start feeling confident in their government again. So it can't be some half effort.... There really has to be something in place, because this is getting ridiculous.



Taxpayers need protection from tax and spend governments.

The public speaks out on SEDCO

On April 12th of this year, the Association of Saskatchewan Taxpayers called for the closure of the Saskatchewan Economic Development Corporation. Since that time, literally thousands of petitions and letters have come in which are being delivered to Premier Romanow's office. The following is a sample of some of the comments we have received from concerned citizens.

"SEDCO was a disaster from the beginning. Perhaps if MLAs had to co-sign these loans and be responsible to pay back any loans that became delinquent they wouldn't be quite so ready to waste the taxpayers money."
- Consul

"What does it take to convince politicians you cannot throw money at business to increase employment and improve the economy?"
- Weyburn

"This government is showing some fiscal restraint. Keep up the good work by closing SEDCO permanently."
- Regina

"This is not the way to make business flourish. It only helps a select few, and usually only for a short time."
- Watson

"I am trying to start a small business and, as I see it, my mistakes should be my loss and my responsibility."
- Wilcox

"If the government wants to lose our money to these kinds of companies, I think they should start spending their own money on them. If they are willing to take the risk with their personal monies, then let them. If businesses have any personal prospects at all they do not need government involvement."
- Unity

"It doesn't make any sense to waste our tax dollars on this project when things like health care and education are cut back."
- Meadow Lake

"We are sick and tired of doing without and paying taxes so other people can get free money."
- Hodgeville

"It is a shame that a government would allow such a foolish waste of money. Taxpayers are getting tired of handing money over to the government to throw away."
- Meadow Lake

"When people have their own money invested in their very own new business venture, it makes them much more aggressive and apt to succeed."
- Broadview

We started in the hotel business in 1973 with no grants or loans from government. In 1992 we paid \$20,000 in federal taxes and \$15,000 in provincial taxes. Our bottom line is getting worse every year."
- Town withheld

"In a lot of cases all these government loans do is compete with companies or individuals who are trying to succeed on their own."
- Arborfield

"I want to say I'm tired of my taxes continuing to rise while my government continues to give it away to losing ventures, particularly when they are financially bailing out businesses which are in direct competition with me. Some of my competition is owned and operated by my government."
- Weyburn

"Last year the losses at SEDCO cost every man woman and child in Saskatchewan almost \$50 each.... It's time to close SEDCO down, along with all other government giveaway programs, and get serious about spending cuts and deficit reduction."
- Rosetown

"Our government should not be a lending institution. If a business or an idea is at all viable it is not difficult to borrow money from a bank or to set up a share structure."
- Weyburn

"I don't like the idea that, while I am not willing to take advantage of the taxpayers, my competition may be quite willing to do so with the taxes I pay. It is very unfair."
- Macoun

"It boggles the mind to learn how often government gives away my hard earned money to some company that cannot prove its feasibility to any credible lending institution who are in the business to know a good or bad venture when they see it. Stop this nonsense! It hasn't worked in 29 years — by now you should get the picture."
- Weyburn

"SEDCO loans put strong companies that do not get a loan at an economic disadvantage. If a business won't float without a subsidized loan, it probably won't float anyway."
- Wilkie

"Could you imagine small business operating with the same abandon as our government? Soon you will have no tax base and we will finally be rid of government spending."
- Moosomin

"Please trust the lending institutions with the business of judging what is a good business risk. We do not need more debt but reduced taxes."
- Carlyle

"Please do everything in your power to see that SEDCO is discontinued. We can't afford it."
- Rockglen

"Creating jobs with public money is like digging a deep hole to fill a small one. Eventually you can't get out."
- Regina

"It would appear that many government departments and agencies feel that their usefulness is based only on how much money they can get rid of at taxpayers' expense."
- Baldwinton

"We will create jobs and stimulate the economy if we had some discretionary income to spend. Spending our tax dollars on high risk loans and the administration that goes along with them is not giving Saskatchewan any boost!"
- Melville

"High taxes are killing small businesses.... The economy can only move ahead when people have money to spend, and no one has any cash to spend when it's all taken up by high taxes."
- Carrot River

"I would like an explanation for the current government's refusal to disclose the return of repayment on SEDCO loans. There should be specific information available to the public outlining why or how certain businesses (especially bankrupt ones) managed to secure loans."
- Admiral

"When taxpayer's money is being used by SEDCO for financing businesses, then SEDCO should be obliged to list those loans that have not been repaid."
- Nokomis

"It is ridiculous the money that has been lent out to the same company over and over again. No wonder the province is broke."
- Craik

"Like a father with a large family you have to learn to say no when your children demand all sorts of favours. Keep the playing field level. One business must be able to compete with another — and we can't afford hand-outs to everyone."
- Swift Current

"I have voted CCF/NDP since Tommy came on the scene, and I really thought with you in power, we would have an outstanding government, but it reminds me of the Devine bunch. Get rid of SEDCO."
- Yellow Grass

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THE TAXPAYER

Promoting the responsible and efficient use of tax dollars

Summer '93



Association President Bob Matheson with the 30,000 coupons calling for reform of the MLA pension plan. The coupons show that Albertans can make a difference.

Average taxpayers have an IMPACT

For over a year and a half, the Association of Alberta Taxpayers has pressured the Alberta government to put the MLA Pension Plan on a self-funding basis.

On Friday, April 30, 1993 Premier Ralph Klein scrapped the MLA Pension Plan for MLAs elected in 1989 or later, and reduced the pensions of members elected prior to 1989. The Alberta MLAs who still qualify for pension benefits have one of the most generous pension plans in the country compared to private and public sector employees, including other provincial and federal legislators.

The MLA Pension Plan has run a deficit every year since it began in 1970 because the

government-matched contributions made by MLAs, for any given year, were not sufficient to cover the benefits paid out during the year (\$1.4 million in 1991/92). Every year Alberta taxpayers have had to top up the MLA Pension Fund to cover the shortfall and despite the changes to the pension plan, Alberta taxpayers will continue to do so for those members elected prior to 1989.

Members elected in 1989 or later will have their contributions refunded with interest. Those members elected in 1989 or earlier had their pension benefits trimmed, with the smallest reductions going to the longest serving members. For example, Al Adair's first year pension benefits

were reduced by 5% from \$82,703 to \$78,756 for 22 years of service, whereas the first year pension benefits of Nancy Betkowski, Elaine McCoy and Rick Orman, who each served for 7 years, were reduced by 14% from \$28,334 to \$24,387. For the 41 MLAs eligible for pension benefits and not returning to the legislature after the June 15, 1993 election, the estimated total lifetime pension benefits are over \$47 million.

In addition to pension benefits, retiring or defeated MLAs will receive re-establishment allowances ranging from \$28,752 to \$57,502. This amounts to a total of \$2,038,968 for all 48 retiring or defeated MLAs.

Other pension liabilities

The province is also responsible for the unfunded liabilities of seven other pension plans each of which are unfunded: Local Authorities, Public Service, Public Service Management, Universities Academic, Special Forces, Provincial Judges and Masters in Chambers Pensions and the Teachers' Retirement Fund. As of March 31, 1992 the total unfunded liabilities for seven of the eight pension plans, including the MLA Pension Plan, was \$5.7 billion. In an

attempt to remedy the situation, the legislature passed the *Pension Statutes Amendment and Misc. Provisions Act* in 1992 which allows for increased contributions to offset unfunded liabilities. The provincial treasurer has introduced legislation and made other efforts to reduce the unfunded liabilities of the various funds. According to the Auditor General's Report for 1991/92, if all of the proposed changes are adopted, total unfunded liabilities will be reduced to \$3.6 billion. Unfortunately, no arrangements have been made to deal with the MLA Pension Plan's unfunded liabilities estimated at \$55 million as of December 31, 1991.

Canadian Taxpayers Federation

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The Golden Hand\$shake Report

Following is an estimate of retirement benefits available to MLAs and Cabinet Ministers who did not seek re-election or who were defeated in the June 15, 1993 provincial election. Lifetime pension benefits are calculated to age 75, with the assumption that inflation will average 5% a year.

Retiring Member	1st Year Pension	Re-establishment Allowance	1st Year Total	Lifetime Pension
Al Adair	78,756	57,502	136,258	1,113,167
Dennis Anderson	40,488	57,502	97,990	2,936,588
Pam Barrett *	15,000	33,544	48,544	971,768
Nancy Betkowski*	24,387	31,148	55,535	1,474,248
Bob Bogle	55,468	57,502	112,970	2,729,164
Fred Bradley	45,053	57,502	102,555	3,301,760
David Carter	41,194	57,502	98,696	976,431
Doug Cherry	13,800	33,544	47,344	290,884
Barry Chivers	0	28,752	28,752	0
Jerry Doyle	0	28,752	28,752	0
John Drobot	23,001	52,712	75,713	225,131
Robert Elliot	23,001	52,712	75,713	277,804
Peter Elzinga	25,093	33,544	58,637	1,359,266
Ed Ewasiuk	13,800	33,544	47,344	312,401
Leroy Fjordbotten	48,016	57,502	105,518	1,699,855
Dick Fowler	0	28,752	28,752	0
Derek Fox *	14,315	33,544	47,859	896,880
Yolande Gagnon	0	28,752	28,752	0
Kurt Gesell	0	28,752	28,752	0
Don Getty	48,189	57,502	105,691	1,074,195
Gerry Gibeault *	13,800	33,544	47,344	1,005,135
John Gogo	44,042	57,502	101,544	928,343
Bob Hawkesworth *	13,800	33,544	47,344	952,637
Jim Horsman	62,863	57,502	120,365	1,737,055
Allan Hyland	39,821	57,502	97,323	2,231,404
Ernie Isley	47,593	57,502	105,095	1,489,779
Dick Johnston	70,392	57,502	127,894	2,709,544
Marie Laing	13,800	33,544	47,344	432,989
Ray Martin	37,023	33,544	70,567	1,591,181
Elaine McCoy	24,387	33,544	57,931	1,425,464
Don McDonald	0	28,752	28,752	0
Alex McEachern	13,950	33,544	47,494	520,457
John McInnes	0	28,752	28,752	0
Christi Mjolsness*	13,975	33,544	47,519	1,060,698
Ron Moore	23,001	52,712	75,713	191,957
Tom Musgrove	23,001	52,712	75,713	259,963
Stan Nelson	23,001	52,712	75,713	820,758
John Oldring	18,741	33,544	52,285	1,561,659
Rick Orman	24,387	33,544	57,931	1,485,387
Barry Pashak	13,800	33,544	47,344	426,162
Bill Payne	33,595	57,502	91,097	789,804
William Roberts	13,800	33,544	47,344	886,019
Gordon Shrake	23,001	52,712	75,713	690,928
Tom Sigurdson *	13,825	33,544	47,369	1,077,515
Don Sparrow**	41,257	52,712	93,969	1,140,058
Fred Stewart	18,681	33,544	52,225	452,970
Norm Weiss	40,488	57,502	97,990	1,118,781
Steve Zarusky	13,800	28,752	42,552	667,311
TOTALS	1,229,385	2,038,968	3,268,353	47,293,500

* Not eligible to receive full pension until age plus years of service equal 55. ** Deceased July 10, 1993.
The Golden Handshake Report is published by the Association of Alberta Taxpayers.

The provincial budget:

Downsizing government

In his May 6, 1993 budget speech, Provincial Treasurer Jim Dinning outlined his plan to eliminate the provincial annual deficit by 1996/97. Deficit elimination measures will focus on expenditure cuts with no income tax increases or provincial sales tax planned for 1993/94. Roughly one-quarter of the total expenditure cuts for 1993/94 (\$130 million of \$480 million) will come from eliminating government waste and duplication, and reorganizing and downsizing government.

As part of its reorganization and downsizing measures, the provincial government is planning to reduce the number of government owned companies, agencies and advisory groups, and to introduce a new Alberta Registries agency which would provide one-stop registry services for motor vehicles, vital statistics, land titles and corporate registrations.

The provincial government is also planning to "bow out" of some functions that it has performed in the past to let the private sector "step in". The government will make the following changes:

- ✓ End government grants and subsidies to businesses - the province will no longer attempt to pick "winners" to promote job creation.
- ✓ Transfer the responsibility for

collection of Alberta corporate income taxes back to the federal government. Alberta has been collecting its own corporate income taxes since 1980.

- ✓ Close down the Alberta Bureau of Statistics. The provincial government is transferring responsibility to the private sector for the collection and publishing of provincial statistics that are not provided by Statistics Canada or other sources.

- ✓ Transfer responsibility for credit union examinations to the Credit Union Deposit Guarantee Corporation. Credit unions will be responsible for their own costs.

- ✓ Transfer responsibility for seeding operations in the forest industry to the private sector.

- ✓ Discontinue family debt counselling services, mediation services and education programs of the Consumer Services Division of Municipal Affairs.

- ✓ Eliminate compensation payments to oil marketing companies for fuel tax collection and handling of marked fuel.

In addition to these expenditure cuts, the government will attempt to recover some of its costs by increasing fees for many of the services that it provides. For example, the Alberta Registries Agency will charge fees that reflect the costs of providing registry services.

In the area of health care, Albertans will face an increase in Alberta Health care premiums of \$3 for individuals and \$6 for families, an increase in room and board fees for residents of long-term care facilities, and a reduction in the coverage of out-of-country hospital care costs by the Alberta Health Care Insurance Plan.

Other cost saving measures that will be undertaken include a decrease in funding to the Legal Aid Program, closure of a correctional

facility, and a reduction of over 10,000 individuals in the Supports for Independence

caseload with those affected referred to employment or training opportunities.



Klein - No new tax increases.

Provincial government to ease paper burden on business

In the May 6, 1993 Budget Speech, Provincial Treasurer Jim Dinning announced that Alberta will begin negotiations with Ottawa to have the federal government resume collection of Alberta corporate income taxes. This is expected to yield \$10 million in savings for the provincial government and the Alberta business community.

Alberta withdrew from the Tax Collection Agreement (TCA) in January, 1981 as a result of the province's desire for greater flexibility in using corporate income tax policy to stimulate economic activity. Back in 1974, Premier Lougheed announced his intentions to withdraw from the TCAs in order to be able to use corporate income tax policies to promote private investment and economic diversification in Alberta (TCA are still in place for personal income taxes). The Premier favoured the use of tax incentives to stimulate economic activity over the use of incentives such as government grants.

Provinces have never been particularly happy with federal-provincial tax collection arrangements, which started in 1941 when the federal government seized control of income taxes. One of the complaints that the

provinces have is that the federal government refuses to allow provincial corporate income taxes to be used by provinces to introduce competitive tax policies which might make businesses favour one province over another.

Up until 1972, the provinces had to accept the federal definition of the tax base in order to take advantage of the no-charge tax-collection services of the federal government. Provinces levied income taxes strictly as a percentage of federal income tax payable, but since then have been allowed to deviate from the federal tax base provided that the policies are not "discriminatory". Before opting out of the tax collection agreement, the Alberta government took advantage of the federal flexibility to introduce royalty tax credits, royalty tax rebates, political contribution tax credits and a new small business tax rate.

Two other provinces have withdrawn from the Tax Collection Agreements: Quebec withdrew from its TCA with the federal government for constitutional reasons and Ontario has opted in and out of its TCA for corporate income taxes for revenue reasons. Only

Alberta has opted out to give it greater flexibility in using taxation as a policy instrument.

Paul Taylor of the Provincial Treasury Department says that resuming the TCA for corporate income taxes is part of an overall plan to simplify the tax system. The move is not expected to net more tax revenue, nor is it expected to save the government a bag of money, but it is expected to reduce the paper burden that the current tax system imposes on businesses.

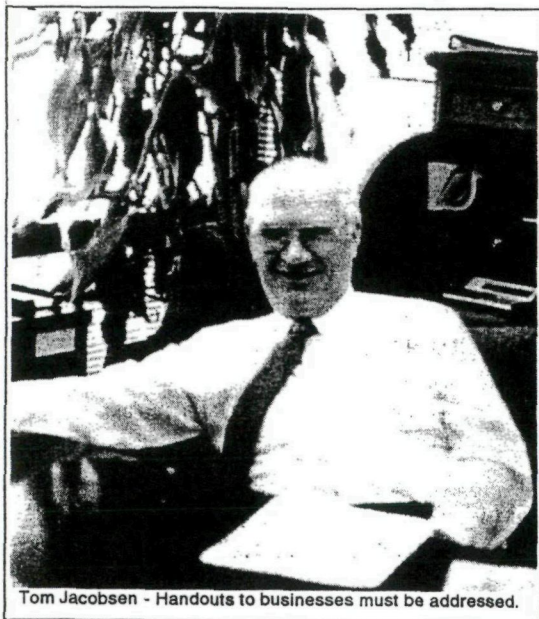
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Tom Jacobsen - Handouts to businesses must be addressed.

Alberta Deficit Elimination Act

Licence for future tax increases

The provincial government has promised to balance the budget in four years so that by fiscal year 1996/97, the consolidated deficit will be zero. To do this the government has decided to focus on expenditure reduction with minor increases in health-care premiums and other fees. Saying that "No society has ever been taxed back to prosperity", Premier Klein has promised no tax increases for 1993/94.

To back up this promise, the Alberta government passed the *Deficit Elimination Act* which specifies the allowable size of

the consolidated deficit for the next four years and beyond. If deficit targets are not met, then the slippage must be made up in subsequent years. However, as Jason Kenney, Executive Director of the Association of Alberta Taxpayers, notes, "the *Deficit Elimination Act*'s basic fault is its failure to impose a meaningful penalty if the government doesn't meet the legislation's deficit targets. Furthermore, the act gives the government a huge loophole to jump through by allowing the Provincial Treasurer to arbitrarily declare an 'emergency' to avoid the act's spending

limits. Notwithstanding the government's best intentions, this act could become a licence for huge future tax increases."

On June 10, 1993 the association called on all parties contesting the provincial election to endorse draft Taxpayer Protection Legislation which would outlaw both deficit spending and tax increases. The draft legislation would require automatic across-the-board cuts and reductions in MLA and cabinet compensation if the government failed to meet the legislation's deficit targets. Needless to say, no one came forward.



"The *Deficit Elimination Act*'s basic fault is its failure to impose a meaningful penalty if the government doesn't meet the legislation's deficit targets." - Jason Kenney

Selected premiums, fees and charges 1993-94 budget

Agriculture, Food and Rural Development	1993-94	1992-93
Publications (various)	\$5.00 - \$10.00	
Central milk testing	\$10.00	\$5.00
Financial advisory services	\$100.00	
Education		
Diploma examination rescore	\$25.00	\$20.00
Health^b		
Health care insurance premiums (individual/families)	\$30.00/\$60.00	\$27.00/\$54.00
Blue Cross non-group benefits premiums (individuals/families)	\$20.50/\$41.00	\$17.00/\$34.00
Justice		
Court fees		
Court of Appeal and Court of Queen's Bench filing fees	\$200.00	\$100.00
Provincial civil filing fees	\$35.00	\$25.00
Certificate of readiness fee	\$100.00	
Surrogate court (various)	\$5.00 - \$6,000.00	\$3.00 - \$1,000.00
Sheriffs' fees (various)	\$0.50 - \$75.00	\$0.25 - \$60.00
Public trustee fees		
Estates of more than \$5,000 AISH funds	\$100.00	
Management of common investment fund	0.25%	
Correctional services resident fees	\$10.00	
Labour		
Boiler and plumbing inspection and registration (various)	\$26.00 - \$2,575.00	\$26.00 - \$2,450.00
Treasury		
Security Commission fees		
Filing of sundry documents	\$50.00 - \$100.00 + .03%	\$50.00
Amendments to prospectus and annual information forms	\$250.00	\$100.00
Filings of preliminary prospectus for issues in Alberta of:		
\$1,000,000 or less	\$250.00	\$500.00
exceeding \$1,000,000	\$2,500.00	\$1,000.00
Filing of final prospectus	.03% of proceeds less filing fee	
Filing of rights offering circular	.03% of proceeds (minimum \$1,000.00)	\$800.00
Annual information form for mutual funds	\$250.00	\$500.00
Annual information form (other)	\$2,000.00	\$1,000.00

^a Federal Goods and Services Tax is applied on certain fees. ^b Premium rates increase on October 1, 1993

Alberta's financial report card

Lots of room for improvement

In January, 1993, Provincial Treasurer Jim Dinning established the Alberta Financial Review Commission to assess the current financial position of the province and to make recommendations with respect to improving the province's management and reporting systems. In its open letter to Albertans, the commission acknowledged the strengths of the current system including the professional competence and dedication of government officers, a good cash management system and a number of well managed individual departments, agencies and funds.

Nevertheless, the province faces some very serious financial challenges that must be dealt with without delay. The commission identified several problems that the province must address.

1. The Deficit

The province has had a deficit for 8 years since fiscal year 1985/86. The latest forecasts indicate that the consolidated deficit for 1992/93 will be \$3.17 billion. The consolidated provincial debt as of March 31, 1993 was estimated at \$19.83 billion and consolidated net debt at \$5.33 billion. If unfunded pension liabilities and the province's share of school board debt were included, then the provincial debt would be over \$25 billion.

2. Informing Albertans

Albertans are not being informed of the province's financial situation in a comprehensive and timely manner. "Provincial Accounts" are issued nine months after the fiscal year end and do not give a complete picture of the province's finances. In some areas, "Generally Accepted Accounting Principles" (GAAP) are not used which tends to defer "bad news", such as unfunded pension liabilities, to the future.

3. Agencies and Funds

Alberta has over 150 government-owned or controlled funds, boards and corporations. Some have outlived their mandates and others, such as the Lottery Fund, are not subject to scrutiny by the Treasury Department.

4. The Heritage Fund

The assets of the Heritage Fund have given Albertans a false sense of security. If the fund were liquidated the province would still owe \$11 billion.

5. Loans, Guarantees and Investments

Government loans to business, loan guarantees and

investments in private enterprises expose Alberta taxpayers to a high degree of risk. The Government of Alberta has written off or provided for \$2.1 billion in loans and guarantees since 1985. In some cases, loans will not be repaid without future government grants. Since 1985, the use of loans and guarantees as public policy instruments has accelerated. As of March 31, 1992, the government had outstanding loans, loan guarantees, and investments of over \$12 billion.

Recommendations

The commission recommended that the province move swiftly to eliminate the deficit because every annual deficit adds to the outstanding provincial debt. As the provincial debt grows, the interest costs of servicing the debt will consume a growing proportion of government revenues, leaving less funding available to maintain programs such as health care, social services, and education.

Among its many other recommendations, the commission recommends substantial changes to the current accounting and reporting system, the curtailment of government loans and guarantees, and a review of all agencies and funds to ensure that each is necessary and efficient.



Hundreds of millions of tax dollars have been lost through financial assistance provided to businesses.

Glossary of government finance terms

Deficit - the excess of expenditure over revenue for a given year. The deficit usually refers to the deficit of the General Revenue Fund.

Provincial Debt - the total amount outstanding that the province has borrowed for a period of time which it must repay to third parties.

Net Debt - the excess of recorded liabilities over recorded assets. Annual deficits increase net debt and annual surpluses decrease net debt.

Structural Deficit - the deficit that would occur even when the economy recovers from a downturn. Alberta currently has a structural deficit which will not disappear, even after an economic recovery, without a re-adjustment of expenditures and/or revenues.

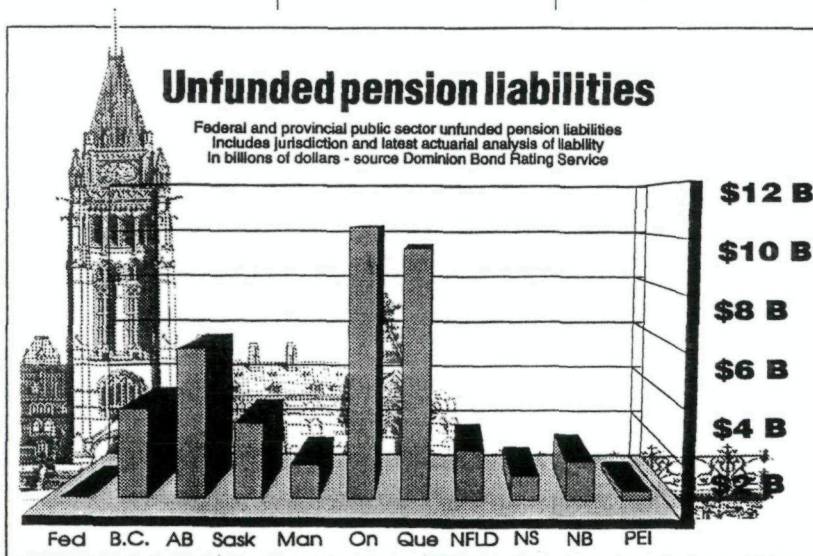
General Revenue Fund - the government's budgetary revenues and expenditures. It includes the transactions of government departments and the cost of providing many funds and agencies with financial support. It also receives income from other agencies, most notably the Heritage Savings Trust Fund and the Alberta Liquor Control Board. However, it does not include:

- The expenditures of the Capital Fund and the Capital Projects Division of the Heritage Savings Trust Fund;
- Those revenues and expenditures of regulated funds and agencies which do not flow to or from the General Revenue Fund, such as the Lottery Fund; and
- The retained profits or losses of provincially owned commercial enterprises.

Consolidated Financial Statements - represents the province's whole financial picture. It includes the accounts of the General Revenue Fund, government-owned and controlled agencies and funds, and provincially-owned commercial enterprises. It does not include the accounts of provincially owned universities, colleges, technical institutes, hospitals, unfunded pension liabilities and the school board debt.

GAAP - Generally Accepted Accounting Principles are primarily the accounting recommendations published by the Canadian Institute of Chartered Accountants (CICA).

Source: Alberta Financial Review Commission Report to Albertans and the Alberta Auditor General's Report, 1992.



Tax dollars used to subsidize political parties

Since the *Election Finances and Contributions Disclosure Act* came into effect in 1978, Albertans have been able to claim income tax credits for political contributions. Between January 1, 1978 and December 31, 1990, Albertans and businesses in Alberta claimed \$10,543,609 in income tax credits on total contributions of \$30,100,514. This means that taxpayers have subsidized approximately 35% of political contributions over the 13 year period.

Individuals and businesses are allowed to claim up to \$750 per year as income tax credits for donations made to registered provincial political parties, constituency associations and candidates. The smaller the contribution, the higher the percentage of the donation that can be claimed as a tax credit. To claim the maximum tax credit, a single contributor would have to donate \$1,725.

The most recent figures available from the Alberta Chief Electoral Officer show that in 1992, political contributions totalled \$3,041,566. The Alberta NDP received donations totalling \$532,824, while the PC Association of Alberta and the Alberta Liberal Party collected \$1,170,850 and \$1,245,032 respectively.

Although the 1992 figures are not available yet, political tax credit claims for that year will probably exceed \$1,000,000 (roughly 35% of contributions).

Alberta is not alone. The federal government and all the provinces and territories in Canada use tax dollars to subsidize political activities. In Alberta, public subsidization of political activities is limited to generous tax credits. Other provinces and the federal government offer additional subsidies in the form of reimbursements of election expenses to registered political parties and candidates and in some cases annual allowances to political parties. Up until this year, Newfoundland was the only province that did not use tax dollars to subsidize political activities.

Tax credits transfer tax dollars from individuals who donate little or nothing to those who donate much. Non-contributors, the overwhelming majority of voters, are forced to subsidize political activities which they have chosen not to support.

Did you know?

As part of the budget for the legislative assembly, each party with elected MLAs receives funds for caucus operations. In 1991-92 this cost taxpayers \$2,877,399.

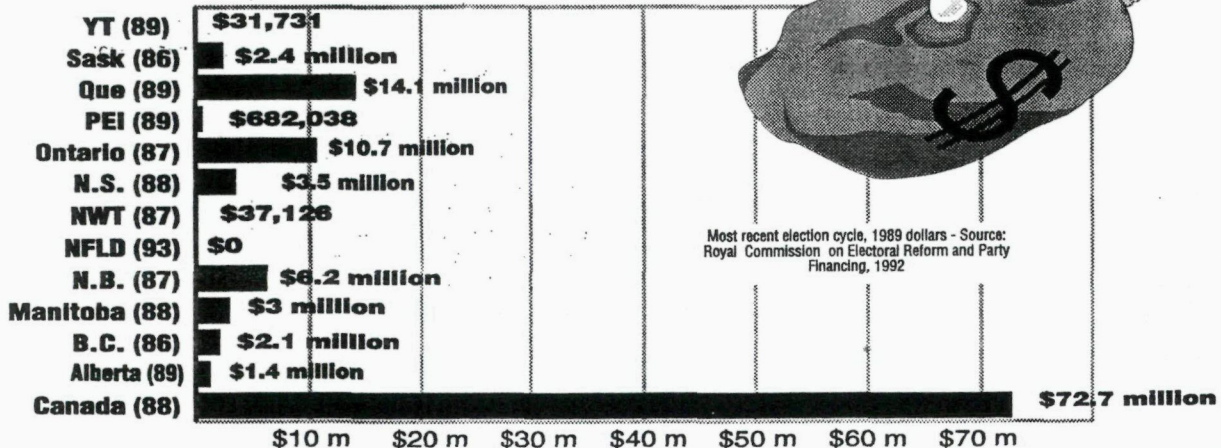
Alberta Provincial Income Tax Credits for Political Contributions, 1978-1992.

Year	Contributions	Tax credits	Tax credits as % of contributions
1978	\$1,095,631	\$474,829	43%
1979	\$3,311,687	\$662,681	20%
1980	\$815,411	\$303,015	37%
1981	\$1,078,219	\$368,372	34%
1982	\$4,645,158	\$1,087,457	23%
1983	\$1,401,279	\$542,070	39%
1984	\$1,734,745	\$556,236	32%
1985	\$2,110,506	\$688,844	33%
1986	\$3,337,962	\$1,435,420	43%
1987	\$2,071,462	\$756,600	37%
1988	\$2,153,278	\$757,846	35%
1989	\$6,491,009	\$1,967,154	30%
1990	\$2,849,359	\$942,725	33%
1991	\$2,995,194	\$1,048,317*	35%
1992	\$3,041,566	\$1,064,548*	35%
Total	\$39,132,466	\$12,656,114	-
Average	\$2,608,831	\$843,741	32%

* Estimated at 35% of total contributions.

Source: Annual Reports of the Alberta Chief Electoral Officer 1978 to 1992.

Taxpayer subsidy of political parties in Canada



Government funding of political parties & candidates

The following is a breakdown of the provisions by province for the public funding of political parties and candidates effective May, 1993.

Jurisdiction	Income tax credits for political contributions	Reimbursement of election expenses to registered parties and candidates	Annual allowance for registered parties
Federal	1) 75% of first \$100; 2) 50% of next \$100; 3) 33 1/3% of next \$900; Max. tax credit = \$500	To registered parties which spend over 10% of max party exp. limit: 22.5%. Registered candidates who receive 15% of valid votes cast: 50%.	Nil
Alberta	1) 75% of first \$150; 2) 50% of next \$675; 3) 33 1/3% of next \$900; Max tax credit = \$750	Nil	Nil
British Columbia	Same as federal	Nil	Nil
Manitoba	Same as federal	To registered parties and candidates receiving 10% of valid votes cast: 50%	Nil
New Brunswick	Same as federal	To registered candidates receiving 15% of valid votes cast: lesser of total election expenses or \$.35 per elector plus the cost of sending one first class letter to each constituent.	\$1.30 per vote received (if party ran 10 or more candidates in last election.)
Newfoundland	Act pending proclamation	Act pending proclamation	Nil
North West Territories	1) 100% of first \$100; 2) 50% of next \$800; Max tax credit = \$500	Nil	Nil
Nova Scotia	Same as federal	To registered candidates: \$.25 per listed elector (indexed to CPI): \$.86 per listed elector in 1988 provincial elections.	Nil
Ontario	1) 75% of first \$200; 2) 50% of next \$600; 3) 33 1/3% of next \$900; Max tax credit \$750	To registered parties receiving 15% of popular vote; \$.05 per elector entitled to vote; plus \$400 of auditor's expenses. To registered candidates who receive 15% of popular vote: lesser of 20% of expenditure limit or amount spent; plus \$5,000 for northern riding candidates	Nil
Prince Edward Island	Same as federal	To registered candidates who receive 15% of valid votes cast: between \$750 and \$1,500 based on votes received	An amount per vote (less than \$1 per vote) set by the Cabinet (2 seats held)
Quebec	50% of the first \$280; Max tax credit = \$140	To registered candidates who receive 20% of valid votes cast: 50%	\$.25 per elector
Saskatchewan	Nil	To registered parties receiving 15% of valid votes cast: lesser of indexed statutory amount (\$140,557 in 1986 provincial election) or 1/3 of election expenses plus \$250 auditor's expenses. To registered candidates who receive 15% of valid votes cast: 50%	Nil
Yukon	Same as federal	Nil	Nil

Source: Annual reports of the Chief Electoral Officers for Canada and the provinces and the Royal Commission on Electoral Reform and party financing. Research Studies Vols 3, 4, 5.

Interest Groups:

A Compelling Case for Taxpayer Protection Legislation

If we had elected the "right" people to serve in the legislature, would we still need taxpayer protection legislation? The answer is probably "yes".

In our current government budget process, the incentives for politicians to increase government spending are very strong, whereas the incentives to exercise fiscal restraint are very weak. This means that there is a strong tendency for the size of government to grow relative to the size of the economy. One of the major causes of growing government spending in our province, at all levels of government, is the growing number and influence of interest groups. In a paper written for the Washington D.C. - based Taxpayers' Foundation, Alvin Rabushka explains why interest groups are having this effect.

Interest groups which lobby governments to spend tax dollars on their causes have an unfair advantage over the individual taxpayer. It is simply not as worthwhile for an individual taxpayer to spend much time and effort to save a few dollars in taxes as

it is for interest groups to fight for millions of dollars for themselves. Furthermore, interest groups focus on the few spending measures from which they derive benefit, while the taxpayer is less likely to organize for the purpose of defeating a particular spending measure.

Politicians are more aware of interest groups and their demands than they are of individual taxpayers and their disapproval. Consequently, interest groups are able to reward or punish legislators with organized electoral support or opposition, whereas taxpayers find it very difficult to make their presence felt.

Governments in our system consider funding requests one by one. Each interest group works hard to convince the government to fund its cause, and taxpayers are not there to oppose the funding so it is usually granted. Any opposition there might be to a particular funding request is usually on moral, not financial, grounds. As the number of interest groups increases, government spending grows to fund these groups.

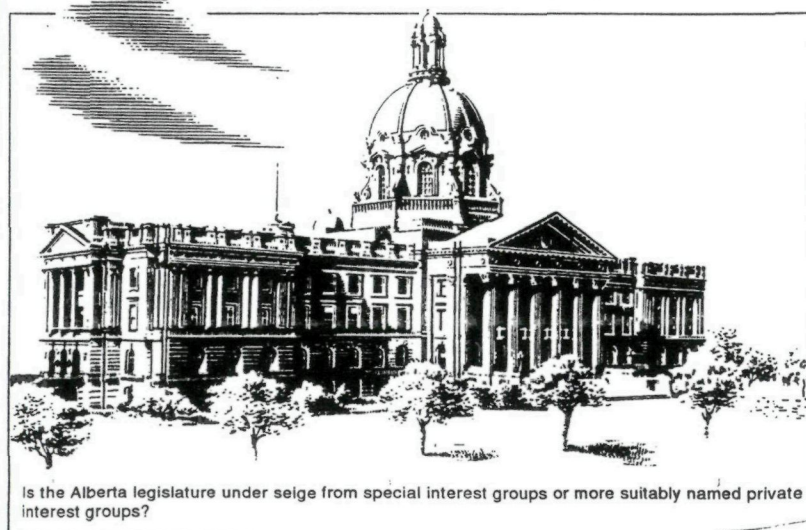
The benefits of funding interest groups are immediate for both the recipients of the funding and the politicians. If politicians choose to fund interest groups, they will win the support of the interest groups immediately. The negative effects of their decisions will not have to be faced until some time in the future, and possibly by other politicians. Growing

government spending may lead to higher taxes, higher inflation, higher unemployment and higher interest rates, which may not become a serious problem for many years.

Politicians must make a choice. They can choose to exercise fiscal restraint, which will produce future benefits to the economy, or they can cater to the interests

of special interest groups. The decision they make should determine to whom we should give our support in the voting booth. Let's make sure they get the message.

(Based on "A Compelling Case for a Constitutional Amendment to Balance the Budget and Limit Taxes", written in 1982 by Alvin Rabushka, Senior Fellow, Hoover Institution Stanford University, for the Taxpayer's Foundation based in Washington D.C.)



Is the Alberta legislature under seige from special interest groups or more suitably named private interest groups?

The New Alberta Cabinet

Hon. Ralph Klein (Calgary - Elbow) Room 307

- ☐ Premier
- ☐ President of the Executive Council
- ☐ Minister of Federal and Intergovernmental Affairs
- ☐ Minister Responsible for:
 - Personnel Administration Office
 - Northern Alberta Development Council
 - Public Affairs Bureau

Hon. Ken Kowalski (Barrhead - Westlock) Room 408

- ☐ Deputy Premier
- ☐ Government House Leader
- ☐ Minister of Economic Development and Tourism
- ☐ Minister Responsible for:
 - Technology, Research and Telecommunications
 - International Trade Offices
 - Lotteries

Hon. Jim Dinning (Calgary - Lougheed) Room 224

- ☐ Provincial Treasurer

Hon. Shirley McClellan (Chinook) Room 127

- ☐ Minister of Health
- ☐ Minister Responsible for the Wild Rose Foundation

Hon. Peter Tynchy (Whitecourt - Ste Anne) Room 420

- ☐ Minister of Transportation and Utilities

- ☐ Minister Responsible for Alberta Public Safety Services

Hon. Pat Black (Calgary Foothills) Room 228

- ☐ Minister of Energy

Hon. Stephen West (Vermilion - Lloydminster) Room 425

- ☐ Minister of Municipal Affairs
- ☐ Minister Responsible for:
 - Housing
 - Alberta Registry Services
 - Alberta Liquor Control Board
 - ACCESS Corporation

Hon. Mike Cardinal (Athabasca - Wabasca) Room 104

- ☐ Minister of Family and Social Services
- ☐ Minister Responsible for:
 - Michener Centre
 - Premier's Council on the Family
 - Metis Settlements Commission
 - Native Programs

Hon. Halvar Jonson (Ponoka - Rimbey) Room 324

- ☐ Minister of Education
- ☐ Minister Responsible for the Premier's Council on the Status of Persons with Disabilities

Hon. Brian Evans (Banff - Cochrane) Room 323

- ☐ Minister of Environmental Protection
- ☐ Minister Responsible for Forests, Parks and Wildlife

- ☐ Deputy Government House Leader

Hon. Jack Ady (Cardston - Chief Mountain) Room 229

- ☐ Minister of Advanced Education and Career Development

Hon. Stockwell Day (Red Deer North) Room 103

- ☐ Minister of Labour
- ☐ Minister Responsible for:
 - Public Service Employee Relations Board
 - Workers Compensation Board
 - Pensions and Occupations
 - Occupational Health and Safety
 - Deputy Government House Leader

Hon. Ken Rostad (Wetaskiwin - Camrose) Room 320

- ☐ Minister of Justice and Attorney General
- ☐ Minister Responsible for:
 - Government Reorganization Secretariat
 - Alberta Gaming Commission
 - Alberta Racing Commission

Hon. Walter Paszkowski (Grande Prairie - Smoky) Room 208

- ☐ Minister of Agriculture, Food and Rural Development
- ☐ Minister Responsible for the Land Compensation Board

Hon. Tom Thurber (Drayton Valley - Calmar) Room 424

- ☐ Minister of Public Works, Supply and Services

Hon. Gary Mar (Calgary - Nose Creek) Room 227

- ☐ Minister of Community Development
- ☐ Minister Responsible for:
 - Culture and Multiculturalism
 - Citizenship and Heritage Secretariat
 - Women's Issues
 - Seniors
 - Recreation
 - Alberta Human Rights Commission
 - Alberta Family Life and Substance Abuse Foundation

Hon. Dianne Mirosh (Calgary - Glenmore) Room 423

- ☐ Minister without Portfolio Responsible for:
 - The Health Planning Secretariat
 - Alberta Alcoholism and Drug Abuse Commission

Get Involved!

Express your views on issues of concern - the self-interest groups are!!

Address:
Legislative Building
10800 97th Ave.
Edmonton, Alberta
T5K 2B6

THE TAXPAYER

Promoting the responsible and efficient use of tax

Summer '93

Time is running out

by Craig Docksteader

There is a window of opportunity open to the government of British Columbia, but it may not last long. The window is the opportunity to eliminate the deficit in two years or less without introducing any new taxes, without further increases in tax rates, and without slashing government spending.

This is a fact that taxpayers should be careful to note. There is widespread concern about B.C.'s rapid slide into debt. However, when challenged for specific solutions, taxpayers can easily feel stymied. No one wants to see taxes increased to eliminate the deficit, and yet to cut \$1.5 billion out of the budget in one fell swoop would indeed be painful. It is difficult to identify where savings of that magnitude could come from in two or three years, never mind finding the whole amount in one year.

Typically, this dilemma leaves taxpayers with a sense of frustration and helplessness, knowing on one hand

that the budget needs to be balanced, while on the other having difficulty determining how it could be done. Fortunately, there is a solution to this dilemma. It's called freezing government spending.

If, in his March 1993 budget, Finance Minister Glen Clark had simply frozen government spending at the existing level, B.C.'s budget would have been balanced in one year. With today's existing tax rates, taxpayers would have had to put up with one more deficit of around \$512 million in 93/94, and the following year they would have enjoyed a balanced budget and possibly a surplus. No cuts, no chops, no more new taxes next year, no increase in taxes or new taxes and no ugly options to choose between. Simply freeze government spending at \$17.9 billion and allow revenues to catch up as a result of growth in B.C.'s economy.

Glen Clark missed his opportunity this year, but the window may still be open

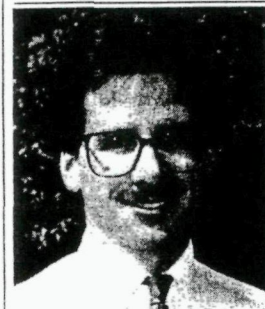
next year. Now, however, instead of taking only one year to balance the budget, it will take two. If government spending were frozen at its current level of \$19 billion, B.C.'s budget could be balanced in two years with no increases in taxes. As B.C.'s economy grows, its tax base and tax revenues would grow with it. More economic output means more jobs and spending which means more revenue to provincial coffers from income tax, sales tax, etc.

It's an option that residents of British Columbia should press their government to adopt because it's one that may not be available for long. As B.C.'s debt piles higher, interest charges go higher as well, making it increasingly difficult to balance the budget without raising taxes, cutting spending or both. Because the federal government failed to take decisive measures to deal with its deficit ten years

ago, interest charges have more than doubled since then, causing our national debt to more than double. B.C. taxpayers cannot afford a similar approach to British Columbia's deficit.

Government will, of course, put up a fuss, arguing that they are unable to restrain government spending at its current level for a multitude of reasons, including B.C.'s growing population and the impact of inflation. But this argument, quite frankly, is groundless. Over the past thirty years, per capita government spending in B.C. has tripled after adjusting for inflation. With an average real per capita growth rate of this magnitude, it is indefensible to suggest that spending could not be frozen for two years.

For the time being, B.C.'s window of opportunity is still open. Economic growth in B.C. was the strongest in the country last year, and inflation is lower than it has been in many years. These factors, combined, provide us with an opportunity to balance our budget quickly with a minimal amount of pain. The longer we wait, however, the more painful it will be. We would do well to not allow our government to squander this opportunity.



Craig Docksteader is Senior Operations Officer for the Canadian Taxpayers Federation

Canadian Taxpayers Federation

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Their pink slip is green

The Canadian Taxpayers Federation recently released a report which projects the amount of severance allowance B.C. MLAs could receive if they resign or are defeated in the next provincial election. This allowance is a one-time lump sum payment paid out to eligible MLAs in addition to whatever salary and allowances they normally receive. Although eight out of ten provinces have a severance allowance for former MLAs, B.C.'s severance allowance payout ranks second from the top, surpassed only by Quebec.

In total, 59 members could be eligible for a golden handshake, with benefits ranging from a low of \$25,593 for backbench MLAs to a high of \$45,873 for cabinet ministers. If every eligible MLA had to be paid out, the total bill to taxpayers would be over \$1.7 million.

For many taxpayers, the

idea of sending former MLAs home with a going away present of between \$25,000 and \$45,000 in their pockets is a little difficult to stomach. Perhaps if times were better, the public would be more accepting, but at a time when tax levels have reached unprecedented proportions in Canada, and government overspending continues to propel the country towards financial disaster, there is little tolerance for self-serving policies such as this. As finance ministers across the country plead for a co-operative effort to reduce growing deficits, revelations of policies such as severance allowance for MLAs leave taxpayers with the distinct impression someone's not pulling their share of the load.

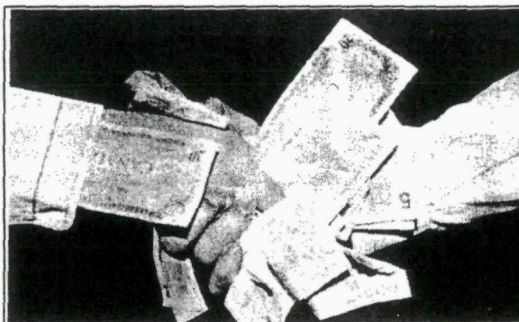
The old adage, "practise what you preach" captures the essence of what most people expect from their leaders. When politicians dictate poli-

cies and expectations from which they exempt themselves either directly or indirectly, taxpayers naturally begin to question the sincerity of their elected representatives.

Even at the best of times, however, there is little precedent for giving severance pay to employees who quit or are fired. When MLAs fail to be re-elected, they are let go for just cause. In such circumstances severance is entirely inappropriate. Not many employees would have the audacity to turn around and demand severance pay when fired. Similarly, if after less than seven years of service an employee were to decide to quit his or her job, there would likely be a frosty reception at the boss's office at any demand for a severance cheque.

Some MLAs would contend that the allowance is necessary to help them adjust back to private life and compensate them for the interruption of their careers. They argue that a good pay and benefits package is necessary to attract good people to public office. Upon closer examination, both of these arguments prove to be unfounded.

In the first place, severance allowances for politicians are a phenomenon of the eighties. It would be difficult to substantiate that we now have better politicians because we



MLA severance - "A fistful of dollars"

offer them better pay and perks. In addition, the record shows that politicians without severance packages are still able to make the transition back to private life without incurring significant hardship. There is no severance paid to MLAs in Saskatchewan or New Brunswick, or for MLAs in Newfoundland with less than seven years of service. The absence of such a package is apparently having

no direct influence on either the quality of candidates or the difficulty of their transition back to private life.

The bottom line is that the practice of awarding severance to MLAs needs to be immediately reviewed. When MLAs are considering where to save money and how to effectively lead by example, abolishing severance packages for politicians would be a good place to begin.

"The Official Opposition campaigned against this 'sweetheart deal', that the Social Credit and the NDP made in the dying days of the last government. I, and my caucus colleagues remain opposed to the severance allowance. I am in favour of revoking the severance allowance."

- Doug Symons, MLA



"Actually, I have even stronger views than yours on the subject and will be making a Member's statement in the Legislature... 'Here are my cost-saving recommendations for the Legislature... Cut off MLAs' severance pay...' April 30, 1993, Hansard."

- Clive Tanner, MLA



Severance allowances for B.C. MLAs

MLAs in British Columbia who resign or are defeated at an election may be eligible for a one time lump sum payment in addition to their regular salary and allowances. The following table projects the amounts of these payments if the member were to resign or be defeated in an October 1995 election.

Member	Severance	Member	Severance	Member	Severance	Member	Severance
Anderson, Val J.	\$25,593	Dueck, Peter A.	pension	Jones, Barry	pension	Ramsey, Paul	\$28,713
Barlee, Hon. Bill	pension	Edwards, Hon. Anne	pension	Jones, Ken	\$25,593	Randall, Fred G.	\$25,593
Barnes, Emery	pension	Evans, Corky	\$25,593	Kasper, Rick F.G.	\$25,593	Reid, Linda	\$25,593
Beattie, Jim	\$25,593	Farnworth, Michael C.	\$25,593	Krog, Leonard	\$27,153	Sawicki, Hon. Joan	\$45,873
Blencoe, Hon. Robin	pension	Farrell-Collins, Gary	\$25,593	Lall, Harry S.	\$25,593	Schreck, David D.	\$25,593
Boone, Hon. Lois	\$45,873	Fox, Len	\$25,593	Lord, Margaret	\$25,593	Serwa, Clifford	pension
Brewin, Gretchen	\$25,593	Gabelmann, Hon. Colin	pension	Lortie, Norm	\$25,593	Sihota, Hon. Moe	\$45,873
Cashore, Hon. John	pension	Garden, Frank	\$25,593	Lovick, Dale	pension	Simpson, Bernie	\$25,593
Charbonneau, Hon. Art	\$45,873	Giesbrecht, Helmut	\$25,593	MacPhail, Joy K.	\$28,713	Smallwood, Hon. Joan	\$45,873
Chisholm, Robert	\$28,713	Gingell, Fred	\$45,873	Marzari, Hon. Darlene	pension	Stephens, Lynn	\$25,593
Clark, Hon. Glen	\$45,873	Hagen, Hon. Anita	pension	Miller, Hon. Dan	\$45,873	Streifel, Dennis	\$27,153
Conroy, Ed	\$25,593	Hammill, Sue	\$25,593	Mitchell, David J.	\$25,593	Symons, Douglas	\$25,593
Copping, Barb	\$28,713	Hanson, Lyall	pension	Neufeld, Richard	\$25,593	Tanner, Clive	\$25,593
Cowie, Arthur	\$25,593	Harcourt, Hon. Mike	pension	O'Neill, Shannon	\$25,593	Tyabji, Judi	\$25,593
Cull, Hon. Elizabeth	\$45,873	Hartley, Bill	\$25,593	Pement, Jackie	\$25,593	Warnke, Allan	\$25,593
Dalton, Jeremy	\$28,713	Hurd, Wilfred	\$25,593	Perry, Hon. Tom	\$45,873	Weisgerber, Jack B.	pension
De Jong, Harry	pension	Jackson, Frederick H.	\$25,593	Petter, Hon. Andrew	\$45,873	Wilson, Gordon	\$25,593
Dosanjh, Ujal	\$25,593	Janssen, Gerard A.	\$28,713	Priddy, Hon. Penny	\$45,873	Zirnhelt, Hon. Dave	\$45,873

Notes:

1) Severance allowance calculation is based on remuneration as of March 3, 1993 and assumes a 4% increase in 1995.
2) For members serving up to a six year term in office, sever-

ance is equal to 50% of annual indemnity, expense allowance, and any special allowance. For years of service beyond six, the allowance is 50% of one month's remuneration for each year

served, to a maximum of twelve months. 3) MLAs who are eligible to receive a pension within one year of ceasing to be a member are not eligible for a severance allowance.

Things are getting worse

by Craig Dockstader

Since budget day in March the people of B.C. have been led to believe that the province's financial situation is being brought under control when in fact the numbers lend little support to this assertion.

Finance Minister Glen Clark likes to point out that in 1991/92, his government inherited a \$2.4 billion operating deficit, which was reduced to \$1.9 billion in 1992/93. What he doesn't point out, however, is that when all the bills, obligations and IOUs were accounted for in 91/92, what Clark actually inherited was only a \$1.9 billion increase in the operating debt. In one sense, the \$2.4 billion deficit was simply a sub-total for government operating costs, while the bottom line impact on the debt came to \$1.9 billion.

Compare that with last year's performance - the one Clark points to when he tells us things are getting better. Last year's operating deficit was \$1.95 billion which, according to the finance minister, shows that under his

leadership the financial situation of the province is improving. But don't cheer yet. When you go to the bottom line, you find out that the op-

erating debt increased by almost \$2.4 billion. Rather than being indicative of an improving trend, the numbers reveal just the opposite:



Is Glen Clark telling the whole story?

B.C.'s plunge into debt is speeding up, not slowing down.

As if this isn't bad enough, government documents show that B.C.'s crown corporation debt is also accelerating. In 91/92 crown corporation debt increased by \$885 million and then shot ahead by another \$992 million in 92/93. Next year Clark intends to allow the crown corporation debt to hurtle forward another \$1,552 million. This is hardly what you could call an improving financial situation.

Taxpayers, who are liable for this debt, have reason to be alarmed. When we take a look at the whole picture, we discover that B.C.'s total provincial debt has grown by 53% since 1990/91. Furthermore, if present trends continue, the existing \$23 billion debt will grow to \$35 billion by March 31, 1996, the equivalent of \$38,580 per family of four. If you decided to start paying off your family's share at this time with monthly payments of \$372, it would take you twenty years to pay it off at a total cost of \$89,320 after adding in the in-

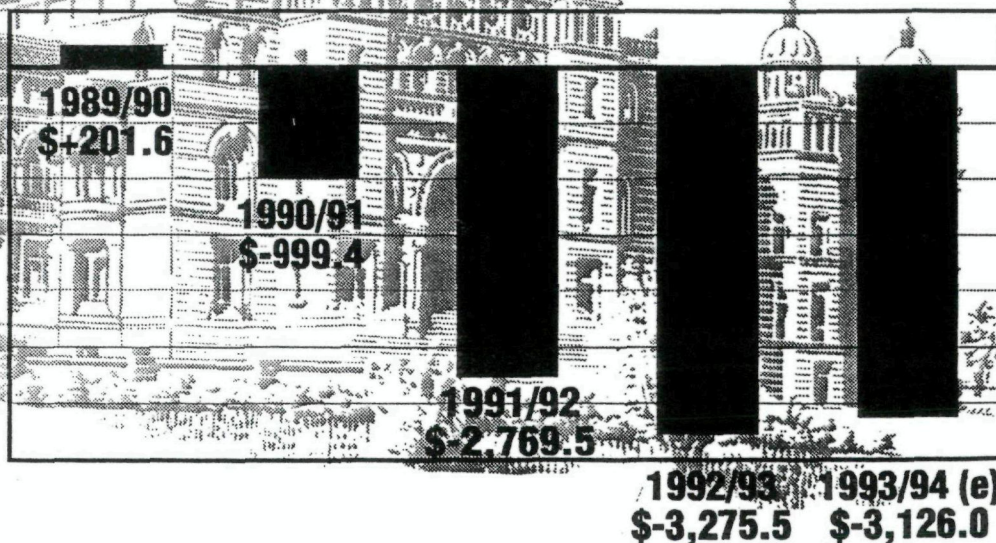
terest charges.

The numbers can be tiring, but the message is clear. B.C.'s financial situation is not improving; it's getting worse. Statistics Canada's numbers show that between the years of 1981 - 1991, B.C. had the fastest growing per capita provincial debt and liabilities in the country, more than any other province or territory. Now we see that the trend is worsening.

Even more frightening than the quagmire of debt we're sinking into, however, is the fact that we have a Finance Minister who either doesn't recognize the problem or won't admit it. By isolating one set of numbers, Clark has left taxpayers with the understanding that he's pulling the province out of the ditch when, in fact, nothing could be further from the truth. Although it was the previous administration which started the province on its slide into debt, it is now Glen Clark's responsibility to begin to pull us out. Unless he first recognizes that there is a problem, however, such a turnaround is unlikely.

British Columbia's worsening deficits

In millions of \$



Will Mike Harcourt become the Grant Devine of the '90s?

Is B.C. heading down the dusty road travelled by Saskatchewan?

by Robin Richardson

The chart on the following page of the Government of British Columbia Total Direct Guaranteed Debt (1981/82 to 1993/94) contains projections for total provincial debt if the trends contained in the 1993/94 budget were to continue. Total B.C. provincial debt is expected to be \$26.4 billion this year, but could rise to \$35.0 billion by 1995/96. Should this trend be allowed to continue unabated to the year 2000, British Co-

lumbia could find itself in the same serious financial position as Saskatchewan.

Saskatchewan's total government debt burden was lower than British Columbia's in 1980-81, but deteriorated rapidly throughout the 1980's, largely because of the borrowing and spending excesses of Premier Grant Devine's government. Saskatchewan's total government net debt burden was well below the Canadian average in the early 1980's but rose to greatly exceed the Canadian average by the early 1990's. We certainly hope that the unfortunate Saskatchewan government debt history will not repeat itself in British Columbia, but the borrowing and spending plans set forth in the recent B.C. budget suggest that we may be headed in that direction.

On a per capita basis, British Columbia is now one of the top spending provinces in Canada and has by far the fastest growing debt.

The long-term chart (below) shows how real per capita revenues and expenditures

have grown for the Government of British Columbia for the period 1965/66 to 1993/94.

The shortfall between expenditures and revenues is clearly being made up through rising taxes. During

the past two years, new tax measures have amounted to \$1,319 million.

This year alone, the B.C. budget hit taxpayers with tax increases of \$637 million and an additional \$1,535 million at some future date to pay for

the deficit. That's the equivalent of over \$2,500 in new taxes for a family of four. Expanding government services, programs and capital works may be a nice idea, but the reality is that B.C. taxpayers can't afford it.



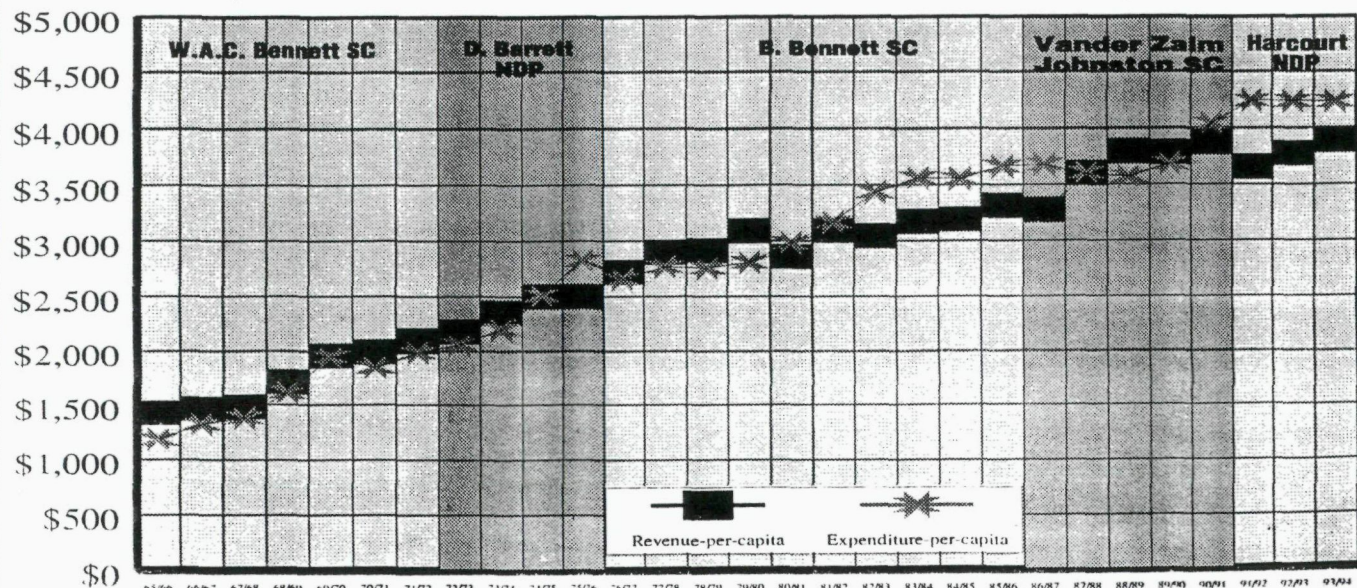
Robin Richardson is the National Research Director of the Canadian Taxpayers Federation.



Is Mike Harcourt following the Grant Devine formula of tax, borrow, and spend?

British Columbia's expanding government

Real per capita revenues and expenditures, 1965/66 to 1993/94
(Public accounts basis in constant 1986 dollars)



Millions

35,000

1973 - Bennett Government - SC

Vander Zalm/Johnston - SC

Harcourt - NDP...

35,000

Government of British Columbia Total Direct and Guaranteed Debt

- Crown Corporation and Other Debt
- Accumulated Operating Deficit

30,000

25,000

20,000

15,000

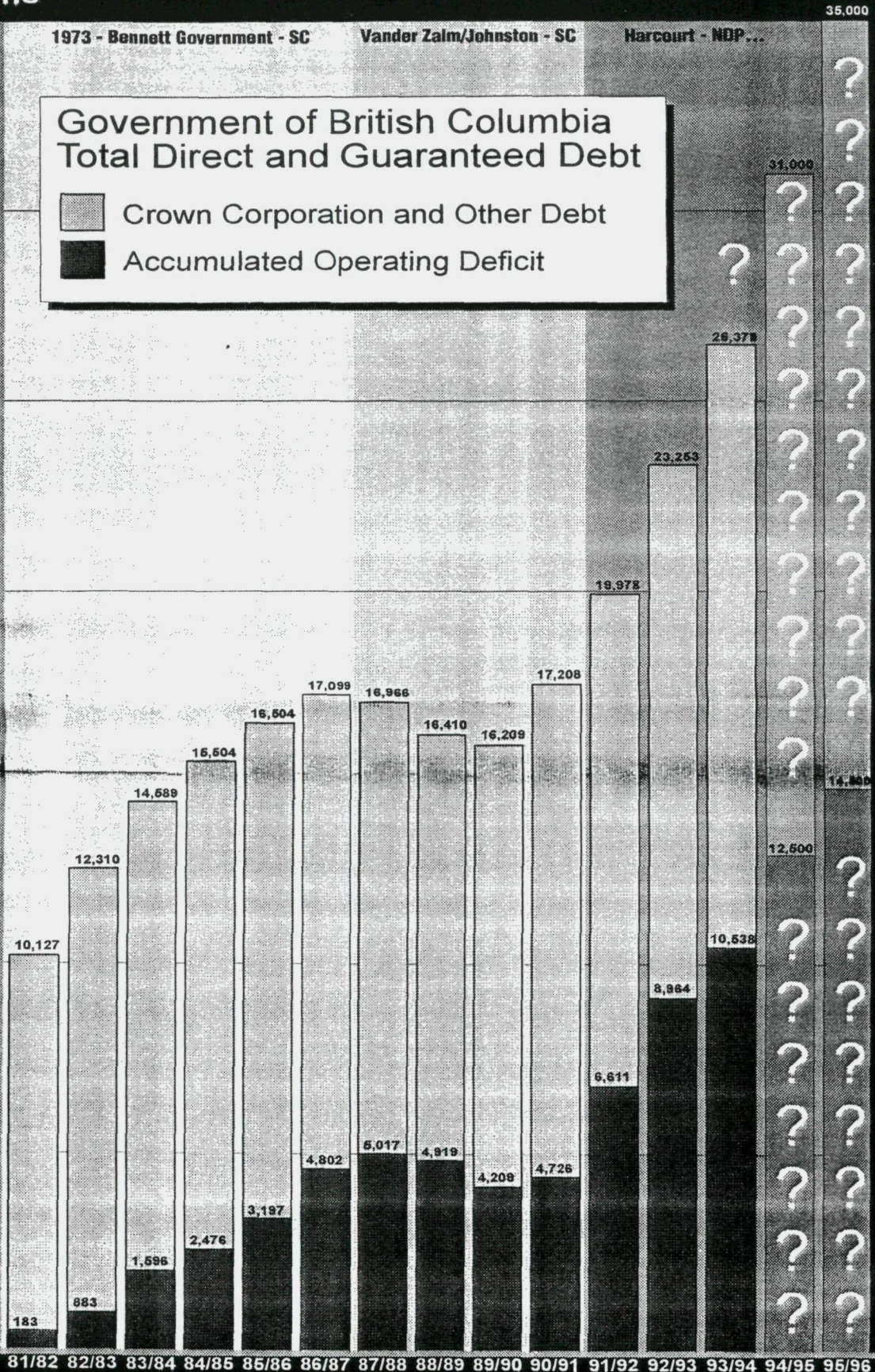
10,000

5,000

0

81/82 82/83 83/84 84/85 85/86 86/87 87/88 88/89 89/90 90/91 91/92 92/93 93/94 94/95 95/96

Canadian Taxpayers Federation



Direct Initiative Alert

by Robin Richardson

The B.C. Select Committee on Parliamentary Reform concluded its across-the-province public hearings in June and will give the B.C. government its report and recommendations this autumn or early next winter on how to draft initiative and recall legislation.

The Chairman and the ma-

jority of members on the Select Committee do not appear to be supportive of a binding citizen-initiated direct initiative according to the questions, discussion and statements made in the public hearings which have now been recorded and published. The main concern which appears repeatedly is the perception of "abuses" of the

direct initiative in the 23 U.S. States which allow statewide initiatives. These objections appear to be based more on emotion than on objective facts as the accompanying table *Statewide Initiatives 1981-90* clearly demonstrates.

Still, the Committee members' concerns are real and may be reflected in the Com-

mittee's final recommendations in one or more ways:

(1) The Committee could recommend that the direct initiative be advisory only, as in the case in New Zealand and Saskatchewan, rather than binding on the government as is the case in Switzerland and in the 23 U.S. states considered in the CTF study.

(2) The Committee could recommend onerous subject matter restrictions such as prohibiting initiatives on tax reductions.

(3) The Committee could recommend prohibitive conditions for signature gathering, calling for too short a collection period or too high a threshold with relation to total votes cast in the last provincial election, thereby making it impossible for sponsors to qualify their initiative proposal.

It is still possible and it would be desirable to make your views known to the Committee by sending a letter to the following address:

Study on the Direct Initiative in British Columbia
The Select Committee on Parliamentary Reform:
c/o Mr. Craig James
Clerk of Committees
Legislative Assembly of British Columbia
Parliament Building
Victoria, B.C. V8V 1X4



Citizen initiated referendums allow people to participate in democracy full time, instead of once every four or five years.

COMMITTEE MEMBERS

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(Vancouver-Kensington NDP)

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Cliff Serwa
(Okanagan West SC)

David Mitchell
(West Vancouver-Garibaldi Ind)

U.S. statewide initiatives 1981-1990

In 1992 the Public Affairs Research Institute of New Jersey, Inc. completed an interesting survey of the 23 U.S. states which allow binding direct initiatives. Between 1981 and 1990 there were 271 initiatives which qualified to be on the statewide ballots. Of these, only 115 or 42.4% were passed by voters.

It is difficult to make a single fair and accurate generalization about the entire sweep of legislation

adopted by initiative in the U.S. states during the decade of the 1980's. In some instances, taxes were cut; in others they were raised. Some effective political reforms were adopted, as well as some illusive measures. Initiatives expanded government regulations of business in a variety of ways, but the process was rarely used to deregulate.

What is clear, however, is that voters in these states were given the opportunity to directly influ-

ence the laws and policies which govern their lives. As one citizen put it, "The Initiative process is used when the legislature fails to act in accordance with the people's wishes."

The following list shows which initiatives pertaining to fiscal matters, regulation and government or political reform either passed or failed in each of the 23 U.S. states which allow binding citizen-initiated referendums:

ALASKA	1982	Claim state ownership of federal land	PASSED
ARIZONA	1986	Limit campaign contributions	PASSED
		Annual funding from state lottery for Arizona natural and scenic environment	PASSED
ARKANSAS	1984	Give four year terms to state constitutional officers	PASSED
		Levy 1/8 of 1% sales and usage tax to be used by state Game & Fish Commission	FAILED
	1986	Authorize governmental units to issue bonds without election	PASSED
	1988	Repeal personal property tax on household goods	FAILED
	1990	Standards of conduct and disclosure set for candidates and political campaigns	PASSED
CALIFORNIA	1982	Gift and inheritance taxes	PASSED
		Gift and inheritance taxes	PASSED
		Income tax indexing	PASSED
	1984	Legislature: rules, procedures, powers, funding	PASSED
		Restrictions on real property taxation	FAILED
		Campaign contributions limitations for elected state officers	FAILED
	1986	Taxation. Local governments and districts	PASSED
	1988	Legislative campaigns. Spending and contribution limits. Partial public funding	PASSED
		Emergency reserve. Dedication of certain taxes to transportation. Appropriation limit change	FAILED

CALIFORNIA CONT'	1988	Campaign funding. Contribution limits. Prohibition of public funding	PASSED
		School funding	PASSED
		Cigarette and tobacco tax benefit fund	PASSED
		Insurance rates, regulations, commissioner	PASSED
	1990	Limits on terms of office. Ethics. Campaign financing	FAILED
		Drug enforcement and prevention. Taxes. Prison terms	FAILED
		Alcohol surtax	FAILED
		State, local taxation	FAILED
		Initiative and referendum process changes	FAILED
		Prison inmate labor. Tax credit	PASSED
		Limits on terms of office, legislators' retirement, legislative operating costs	PASSED
COLORADO	1986	Taxation--Prohibiting new or increased taxes and requiring state to provide funds for mandated increases	FAILED
	1988	Require voter approval for certain increase in tax revenues	FAILED
	1990	Limit taxation and approve revenue increase	FAILED
		Term limitation	PASSED
FLORIDA	1986	State operated lotteries	PASSED
IDAHO	1982	Residential tax exemption	PASSED
	1984	Exempt food for human consumption from sales tax	FAILED
ILLINOIS		None	
MAINE	1981	Create energy commission	FAILED
	1982	Tax indexing	PASSED
	1989	Public financing of elections for governor	FAILED
MASSACHUSETTS	1986	Repeal surtax	PASSED
	1990	Change the state income tax rate	FAILED
		Change the state election laws	PASSED
		Regulate the distribution to cities and towns of the Local Aid Fund	PASSED
MICHIGAN	1982	Create Michigan Department of State Police	FAILED
		Legislative hearings must be held on all utility rate increases, abolishes rate adjustment clauses, and establishes procedures	PASSED
		Provide for elected Public Service Commission	FAILED
	1984	Taxes, other revenues, and legislative approval of the same	FAILED
MISSOURI	1982	One cent sales tax	PASSED
	1988	Sales and usage tax of 0.1% for soil and water conservation	PASSED
MONTANA	1982	Invest coal tax	PASSED
	1986	Limitation of property taxes to 1986 levels	PASSED
	1990	Amendment to the Montana Constitution to repeal existing taxes and to require state funding by assessment of a trade charge on business and financial transactions	FAILED
		Increase the cigarette and tobacco sales tax	FAILED
NEBRASKA	1990	Establish a 2 percent limitation on annual budget increases of all governmental subdivisions	FAILED
NEVADA	1984	Limit on fees and taxes	FAILED
	1988	Prohibit personal income tax	PASSED
	1990	Prohibit personal income tax	PASSED
		Create corporate income tax	FAILED
NORTH DAKOTA	1990	Increase sales and usage tax 1% for education (June 12)	FAILED
OHIO	1983	Require a 3/5 majority of the General Assembly to raise taxes	FAILED
		Repeal all taxes passed since 1982	FAILED
OKLAHOMA	1990	Create a five member Ethics Commission (September 18)	PASSED
		Limit legislative office to 12 years (September 18)	PASSED
OREGON	1982	Constitutional real property tax limit preserving 85% of districts' 1979 revenue	FAILED
	1986	Constitutional 5% sales tax, funds schools, reduces property taxes	FAILED
		Amend constitution. Limits property tax rates and assessed value increases	FAILED
		Homeowners', renters' property tax relief program; sales tax limitation measure	FAILED
		State income tax changes, increased revenue to property tax relief	FAILED
	1988	Finance intercollegiate athletic fund by increasing malt beverage, cigarette tax	FAILED
	1990	State constitutional limit on property taxes for schools, government operations	PASSED
		School choice system. Tax credit for education outside public schools	FAILED
SOUTH DAKOTA	1988	Large-scale Metallic Mineral Mining Tax Act	FAILED
UTAH	1988	Tax and spending limitations	FAILED
		Tax reductions	FAILED
		Income tax credit for private education	FAILED
	1990	Removal of state and local sales tax from food	FAILED
WASHINGTON	1981	Voter approval for bonds for construction	PASSED
		Abolition of inheritance and gift taxes and restriction of state death taxes	PASSED
	1982	Corporate franchise taxes replace food sales tax	FAILED
WYOMING	1986	Increase of sales and usage tax	FAILED
		None	

Time to reform the MLA pension plan

by Craig Dockstader

Premier Harcourt likes the B.C. MLA pension plan. Responding to inquiries prompted by sweeping changes to Alberta's plan, Harcourt recently defended the B.C. plan, saying there is no need to reform it. Citing examples of restraint such as the freezing of MLA salaries and 5% reduction of ministers' salaries, Harcourt insisted there was no reason to take further measures, and that he had no intention of considering reform of the B.C. MLA pension plan.

Our premier should reconsider.

A survey of MLA and MP pension plans across the country reveals that B.C.'s pension benefits rank third from the top, surpassed only by Ottawa and Quebec. When you consider the broader aspects of the plans such as contribution levels, eligibility requirements, and the overall benefit calculation, B.C. moves up the list, second only to Ottawa. As far as maximum benefits as a percentage of income are concerned, B.C.'s plan takes first place, being the only plan in the country to grant retiring MLAs a pension of up to 80% of their annual salary.

The net result is that B.C. MLAs enjoy a pension plan in which their benefits outweigh their contributions by five to one. Over the seven years from 1986 to 1992, fifty B.C. MLAs were put out to pension pasture, resulting in a total bill of \$22 million. Of this amount, only \$3.4 million was contributed by the MLAs, with the remaining tab being picked up by taxpayers. In other words, for every dollar MLAs contribute to their pension plan, taxpayers contribute five.

Research done by the Canadian Taxpayers Federation reveals that 16 MLAs would be eligible for pension benefits if they resigned or were defeated in an October 1995

provincial election. Projected first year benefits, which are adjusted annually for inflation, range from a high of \$54,000 a year for Colin Gabelmann to a low of \$25,800 for Harry De Jong. Robin Blencoe, who has served as an MLA for 12 years, is in line for \$41,000 in his first year of retirement. Cliff Serwa, Dale Lovick, Barry Jones and Bill Barlee would each receive between \$26,000 to \$28,000.

Premier Harcourt's first year benefits could grow to an annual pension of over \$80,000 by his 75th birthday, and total pension benefits received over this time could total \$1,363,000. Benefits of \$42,000 a year adjusted annually for inflation may seem acceptable to Premier Harcourt, but taxpayers have reason to balk.

To suggest that taxpayers should be expected to pay an ex-MLA \$35,000 a year (taxpayers' portion of a \$42,000 pension) for the rest of their

life just because they served in the legislature for nine years is highly presumptuous. Even at the best of times, such a practice is highly inappropriate, but when most taxpayers have enough difficulty putting money away for their own pension, picking up the tab for former politicians is unconscionable.

Premier Harcourt and all B.C. MLAs should follow the lead of Alberta and Saskatchewan and reform their pension plan. Taxpayers could match MLA contributions one to one, and benefits should not exceed what the contributions are able to support. This is the type of plan which has been in place in Saskatchewan since 1979, and it has saved taxpayers millions of dollars, while clearly setting an example for other governments.

Pension reform is not an attempt to see MLAs do with less, nor is it a "misery loves company" attitude on the part

of cranky taxpayers; there is no gain for taxpayers in impoverishing their politicians. Rather, it is a recognition that

the current practice in B.C. is grossly inappropriate and that the responsible thing to do is fix it.



Alberta Premier Ralph Klein reformed his province's MLA pension plan.

Projected pension benefits for B.C. MLAs

MLAs in B.C. who choose to contribute to the MLA pension plan are eligible to begin receiving benefits when (a) they have served as a member for 7 years or more than two parliaments, (b) at the age of 55 or when their age plus years of service equals 60, and (c) they cease to be an MLA. The following table projects the pension benefits of the 16 members who will be eligible to receive pensions were they to retire at the time of an October 1995 provincial election.

Member	Age at Oct. '95	Years of Service at Oct '95	First year pension benefits	Benefits at age 75*	Total benefits to age 75
Barlee, Hon. Bill	63	7	\$27,323	\$37,821	\$387,768
Barnes, Emery	65	23	\$49,638	\$64,767	\$569,046
Blencoe, Hon. Robin	47	12	\$41,070	\$91,228	\$1,763,171
Cashore, Hon. John	60	9	\$33,239	\$50,277	\$618,277
De Jong, Harry	63	9	\$25,821	\$35,742	\$366,450
Dueck, Peter A.	72	9	\$32,902	\$34,905	\$101,696
Edwards, Hon. Anne	60	9	\$32,868	\$49,716	\$611,308
Gabelmann, Hon. Colin	51	16	\$54,071	\$106,714	\$1,861,482
Hagen, Hon. Anita	64	9	\$33,014	\$44,368	\$422,839
Hanson, Lyall	66	9	\$35,344	\$44,772	\$359,059
Harcourt, Hon. Mike	52	9	\$42,017	\$80,510	\$1,363,584
Jones, Barry	54	9	\$26,673	\$48,174	\$764,886
Lovick, Dale	51	9	\$26,808	\$52,908	\$922,902
Marzari, Hon. Darlene	52	9	\$32,890	\$63,021	\$1,067,389
Serwa, Clifford	59	9	\$28,156	\$43,866	\$567,540
Weisgerber, Jack B.	55	9	\$37,037	\$64,944	\$995,191

Notes:

(1) First year pension benefits are equal to: 5% of the member's highest average legislative allowance multiplied by the number of years of service, not exceeding 16 years; plus 5% of the highest average income as a minister multiplied by years of service as a minister (not exceeding 16 years); plus 5% of the highest average income for other positions occupied, such as Speaker, Whip, etc., multiplied by the total number of years in those positions (not exceeding 16 years).

(2) Highest average legislative allowance includes a member's annual indemnity, tax free expense allowance, and capital city allowance.

(3) Highest average minister's salary and salary for other positions means the salary paid for that position during the four years immediately preceding the date on which he or she ceases to be a member.

(4) Calculations assume a 4% cost of living increase in 1995.

* MLA pensions are adjusted annually according to the Consumer Price Index (CPI). Calculations assume an annual 3% increase in CPI.



Robin Blencoe eligible for lifetime pension benefits of \$1.8 million.